Daily Report

Latin America

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FBIS-LAT-89-215 *8 November 1989*

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Cuba

Bush Authority for Covert Operations Denounced

PA0811035086 Havana International Service in Spanish 0024 GMT 8 Nov 89

[Commentary by Amalia Sanmartino]

[Text] For those who have not lost their capacity for amazement, today's hectic world offers some news. One of today's news items has to do with the constantly amended U.S. plans to meddle in other countries' affairs. Even though the surprising news has been circulating for several days, the reaction from countries that could be harmed increases every day. In this regard, we can cite Guillermo Capobianco, Bolivian minister of interior, migration, and justice, who strongly criticized the authorization granted by the U.S. Congress to overthrow governments that are at odds with U.S. interests.

Some may think we had heard it all, particularly in Latin America, where the sinister and omnipresent hand of the CIA reaches in without authorization to destabilize at whim progressive governments or those governments that simply do not obey Washington's orders. U.S. authorities seem to grant themselves more authority every day in these affairs. Officials from various countries have commented that the news from the White House seems to indicate that President George Bush has a free hand to order the CIA to carry out covert operations, because he is under no obligation to inform Congress of these actions 48 hours in advance.

White House Spokesman Marlin Fitzwater added that Bush promised to inform the congressional intelligence committees whenever a covert operation is planned, but Bush is not obliged to specify when it will take place. Overthrowing governments that do not suit U.S. interests, carrying out covert operations—a euphemism for coups d'etat, plots, political assassinations, and even kidnapping in foreign countries of people believed to be terrorists to bring them to trial in the United States—seems to have become one of the most important aspects of Washington's foreign policy.

What we wish to stress is that covert operations as such have always been carried out by the United States against governments they do not like, but the present North American administration intends to legalize them, and this is an atrocity no words can describe.

Valladares' Bloc Reception 'Unfriendly Gesture'

FL0711184889 Havana Radio Rebelde Network in Spanish 1800 GMT 7 Nov 89

[Station commentary]

[Text] Cuba's relations with the USSR and other socialist countries are among the aspects of our foreign policy that worry the United States the most. This is an obvious truth. Washington is applying all possible methods, and some that are impossible, to impede or alter the course of those relations. The aggressiveness of the United States has especially intensified now that socialist countries are now undeniably facing serious difficulties.

Cuba has its own opinions about this but we respect what everyone else feels has to be done to clean up one's own house. We maintain the principle of not interfering in the domestic affairs of others. Nevertheless, the strict observance of this policy is one thing, and it is something else entirely to overlook an offense against our people.

We realize that the reception that was just bestowed upon the former Batista officer, Armando Valladares, in Hungary and Poland is an unfriendly gesture toward our country, as well as an insult and offense to our people. It is not that we are trying to decide who can or cannot be received in another country. It is a matter of the nature of those meetings and of the anti-Cuban statements made by that man, who was condemned for terrorism in our fatherland and who was received by the United States as an instrument in its shameful campaign against Cuba, which it took the luxury of using in those nations.

There can be no mistake here. Valladares can meet with any Walesa or any other renegade disguised as a reformist, but Cuba has the right to demand for itself the same respect that it gives to others.

Council Gives Award to Soviet Friendship Group

FL0711125889 Havana Tele-Rebelde Network in Spanish 1200 GMT 7 Nov 89

[Text] The Order of Solidarity bestowed by the Council of State of the Republic of Cuba was presented last night to the Soviet-Cuban Friendship Association. Jorge Risquet Valdes, member of the Politburo of the Communist Party of Cuba, attended the ceremony. The award was presented for the constant work done over the past 25 years to develop friendship relations between Cuba and the USSR.

Yuriy Petrov, Soviet ambassador to Cuba, received the order from Rene Rodriguez, president of the Cuban Institute of Friendship With Peoples. In his remarks, Rodriguez stressed that the history of relations between the two peoples is an example for everyone of what true ties of cooperation and fraternity can be between a superpower and a small country.

In expressing his appreciation for the award, Petrov said that the order is a beautiful symbol on the eve of the 72d anniversary of the triumph of the Great October Socialist Revolution. The Soviet ambassador stressed that the Cuban and Soviet friendship associations now both have state awards, which is a strong incentive to develop their work even more.

Radio Describes 1st Day of Namibian Elections

FL0811041089 Havana Television Service in Spanish 0100 GMT 8 Nov 89

[Text] Namibians went to the polls in large numbers today starting early in the day as part of the 5-day election process which will guarantee the country's independence.

Namibia has been a colony since 1884. First it was a colony of what was then the German empire, and after 1915 it was a colony of the South African racists.

Sam Nujoma, president of the South-West African People's Organization, SWAPO, was the first one to cast his ballot in the electoral college of the black neighborhood of Katutura, a suburb of Windhoek, the Namibian capital. The SWAPO leader said a few moments later: Today we are burying colonialism and apartheid.

Thousands of people lined up this morning in front of the places where the election polls are located to elect the 72 members of the constituent assembly. These elections are considered the most supervised ones in the world. The United Nations, diplomatic officials, representatives from the Nonaligned Movement and from the Front Line States are touring all of Namibia in their mission of observation.

Ten parties and political coalitions are participating in these elections after carrying out a 4-month campaign which concluded last Sunday [5 November] with ceremonies throughout various parts of the country, and in which SWAPO attained the majority support from the population.

Transplant Surgeon Seeks Asylum in Spain

PA0711042689 Madrid EFE in Spanish 0158 GMT 7 Nov 89

[Text] Madrid, 6 Nov (EFE)—Cuban surgeon Ramiro Coro Caraballo today sought political asylum in Spain, taking advantage of a stopover in Madrid on a flight bound for Paris.

Coro Caraballo, a grandson of Spaniards and a specialist in liver and pancreas transplants, was bound for Paris on a working visit with a French institution involved in this medical specialty.

The Cuban surgeon arrived in Madrid on Saturday [4 November] but could not begin working on his request for asylum in Spain until today.

"The economic crisis Cuba is going through—the worst in its history—is why I left my country. My only goal is to seek better opportunities for my family and me," the doctor said.

Coro Caraballo plans to continue working as a doctor, and, since he is aware that his Cuban medical degree is not recognized in Europe or in the United States, he has been working for some time on "revalidating" his degree.

For Coro Caraballo "one of the good things about Cuban medical practice is that it is free and available to all citizens. However, the lack of medicine causes serious deficiencies."

Now his fear is focused on what might happen to his family in Havana, because his parents, wife, and two children are there.

On 2 November Cuban actor Ramon Veloz Fernandez and his wife Miriam Cabrera sought asylum in Spain. He was performing in Madrid and she, chief of the foreign communication department of the Ministry of Communications, had traveled to the Spanish capital from Budapest, where she was on an official visit.

Envoy to UN Discusses Antidrug Measures

FL0711124189 Havana Tele-Rebelde Network in Spanish 1200 GMT 7 Nov 89

[Text] Cuba has stressed to the international community the importance of confronting the socioeconomic problems of countries that produce drugs to eliminate the causes that lead to narcotrafficking. Oscar Oramas, Cuban ambassador to the United Nations, made this statement to the Social and Humanitarian Affairs Commission.

Our country's representative said an accusatory policy is of no use without a realistic plan designed to resolve the problems of those nations involved in the production and trafficking of drugs. Oramas expressed Cuba's concern over the dimension of the consumption and trafficking of narcotics and he called for the joint action of governments and international institutions to combat the problem.

The Cuban ambassador to the United Nations reported that from January 1985 to June 1989, Cuban authorities captured 25 ships, imprisoned 92 international drug traffickers, and destroyed approximately 127,000 kg of cocaine and marijuana.

Castro Inaugurates Construction Materials Plant

FL0811000789 Havana Radio Reloj Network in Spanish 2302 GMT 7 Nov 89

[Text] Today, Commander in Chief Fidel Castro, president of the Councils of State and Ministers and first secretary of the Communist Party of Cuba Central Committee, officially inaugurated the (Juan Roberto Emiliano) plant for construction materials on the outskirts of this capital. The plant's collective was also awarded a contingent's banner.

Surrounded by leaders of the party and government, and workers of that industry, Fidel cut the symbolic ribbon. The plant collective worked very hard to attain the level

of contingent aspirant, and since March has been operating with the work style of a contingent. The 14-hour work day, increased production, and the productive result of applying the multiple job method are the new guidelines for working. The workers, organized in brigades, carry out their tasks in workshops for cement blocks, floor beams, and [word indistinct]; soon they will have an area to produce tiles.

Fidel had visited them on other occasions, which was very motivating for everyone.

Speaks at Plant Ceremony

FL0811031389 Havana Television Service in Spanish 0100 GMT 8 Nov 89

[Text] Today in San Miguel del Padron our Commander in Chief Fidel Castro, first secretary of the Communist Party of Cuba Central Committee and president of the Councils of State and Ministers, inaugurated the (Juan Roberto Emilian) concrete and mosaic flooring plant of the Ministry of Construction Materials Industry.

Fidel cut the symbolic ribbon and presented the plant's collective with the banner which declares it an industrial contingent, the first of its kind in the country. He also gave recognition diplomas to the best workers.

[Begin Castro recording] We are rectifying errors, opening our eyes, waking up to reality, and doing what we must to develop the country. We are not doing a botched job, or doing it in a stupid way with poor quality.

Our revolutionary process is showing what can be done with socialism, something which could never be done under any concept of capitalism. I would like to see some capitalist factory doing what the collective of this plant is doing. [applause] I would like to see if it has the productivity, organization, discipline, and the increasing quality of this plant. Capitalism can never achieve this. There are many conflicts of interest in capitalism. There is an insurmountable conflict of classes which does not exist, cannot exist, and must not exist in socialism, where interests are consolidated. They are everyone's interests. One does not work for an exploiter, one works for the people, and the people work for themselves. Here, who do they work for producing blocks, (?cement), and mosaic flooring? They are working for themselves. Who do the minibrigade workers work for? For themselves, and for their people. They are not working for a millionaire or any moneybags. They work in a society where man exploiting man does not exist; they have gotten away from that calamity. There is no reason to return to such terrible calamities.

Man cannot be that stupid and only be able to work under the yoke of capitalism. Man cannot be so stupid. [applause] We cannot have such a low opinion of man and think that he can only work as a slave. Man is capable of doing so much, and has done it. How was the revolution accomplished? With how much sacrifice, effort? How many men risked their lives, and how have many internationalist missions been fulfilled? With how much sacrifice, effort? Only man is capable of that nobility, of giving his life for his brothers, fellow men, people, fatherland, and his ideas. [applause] [end recording]

New Brands of Radios Placed on National Market

FL0711191889 Havana Radio Rebelde Network in Spanish 1322 GMT 7 Nov 89

[Report by Virginia Maria Pineiro on "Haciendo Radio" program]

[Text] The Domestic Trade Ministry has now received the first 7,500 "Ritmo" radios assembled by the Havana City electronic appliance manufacturing enterprise. This is the first Cuban radio with an FM band, incorporated power source, and six frequency bands. It replaces the "Siboney" radio. The "Ritmo" weighs 2.3 kg and thus is lighter than the traditional radio.

We should report that since last year the enterprise has been replacing old technologies, and the "Pionero," "Nocturno," "Varadero," and "Ritmo" brands have been introduced into the national market. Some delays have been reported in production because components have not been received from the Soviet Union. This has caused the annual production plan for radios and recorders to fall behind schedule. It is expected that the components will arrive before the end of the year and production, which is now at 88 percent, will increase.

In addition, the radio factory has exceeded its export goals of the "(Bovina)" radio to the GDR by 11 percent.

* MICONS Official on Cienfuegos Contingents

90EM0024a Havana BOHEMIA in Spanish 29 Sep 89 pp 46-51

[Article by Pedro Juan Gutierrez]

[Excerpts] [Passage omitted] "What are the main problems you have here?" I asked Felix Ramos, assistant technical director of the Ministry of Construction (MICONS) in the province, during an extensive tour of projects where everyone mentioned only the good things and overlooked the defects.

He thought for a moment and then told me a few, the most obvious ones: "We must increase the utilization of the workday, which is just over 70 percent. We must improve the conservation and utilization of resources. We must also make improvements in attention to the individual and in the quality of work. We have made the least progress in quality."

We have great quality at the Juragua Nuclear Power Plant (CEN), because there is a lot of control by the investors, by the designers of the plan, and by the Soviet technical advisers. There is exquisite quality there.

At the petroleum refinery, another gigantic project next to the bay, there is also good control and quality, although a little less than at the CEN. Such is not the case at other construction sites. Builders who work impeccably at the CEN do things poorly at other sites. Why?

"I have come to my own conclusion," says Felix. "Quality equals strictness and control. Things can be done well, but you have to be strict. You have to achieve a degree of consciousness on the part of everyone, but along with consciousness you have to have a control system that is very systematic and inflexible."

There are instances of projects chiefs and laborers who have a high sense of responsibility and set an example for others. They leave their mark, and they don't need anyone watching over them. But they are very rare.

"I think it is vital that the investor have control. In Cienfuegos, as in the rest of the country, investors rarely play their role efficiently. In our enterprises, we have established quality committees, and quality has improved in discrete areas," but there is still a long way to go, says Felix.

Other problems have already begun to show results. For example, cement consumption is 422 kg per cubic meter of concrete, whereas the plan calls for 460; but this is still high compared to other provinces.

Wood, rock, and sand are also being conserved. But more steel (reinforcing bar) is used. Altogether, material consumption per peso of production dropped from 45.1 centavos in 1987 to 39.9 centavos in 1988.

One positive achievement was seen at the No. 12 Engineering Works Construction Enterprise, which was declared a National Model Unit for attaining low fuel and lubricant consumption levels. Its experiences are now being applied at the other enterprises in the territory.

We will continue to cite attention to the individual as a problem because it is an infinite spiral. One can always do more. It has been demonstrated that the better the worker's needs are met, the higher his productivity, his willingness to work, and his personal satisfaction with what he is doing.

"This has a lot to do with utilization of the workday," says Felix, "which is constantly rising, but is still at 70 percent and should climb higher."

5 September Contingent

Cienfuegos has just over 22,000 construction workers. Of them, about 3,000 are organized into two contingents. One of them is the Vladimir Ilich Lenin, which is building the CEN. Another smaller one has just 55 workers, and is building the CEN-Refinery highway, a 14.5-km route that follows the bayshore.

We reached the 5 September contingent under a glaring sun at 1500 hours, amid the whitish dust of the road under construction. Aleida Casas, the only woman to be chief of a contingent in Cuba, is not here. [passage omitted]

While we wait for Aleida, we sit in the dining hall and talk to several workers.

Pedro Gonzalez, project executor, tells me that the members of the contingent are on the average nearly 40 years of age. They are men with good working habits, selected from among the best because work goes on 12 to 14 hours a day here, with old equipment that has been in use more than 6 years.

Even so, during the first 6 months of the year they contributed more than 2,000 voluntary hours, donating part of their vacations and their pass days, "although almost all of us live in the hostel and work 24 days in a row, and then get 6 days off."

This is a good place to introduce young workers, to let them get their feet wet gradually. There is no policy better than the example, says Pedro. Here one learns to love the work, the comradeship.

Eduardo Borges, secretary of the PCC [Communist Party of Cuba] nucleus, explains that out of 55 workers, 11 are party members and an equal number belong to the Union of Young Communists (UJC). In other words, nearly half the members of the contingent are members.

"Advantages of the contingent? Well, we get one and a half times the food allotment at the dining hall, and we get snacks. The hostels are the apartment buildings of the Nuclear City, next to the CEN. We have two technicians on site, and they have never found any problems in our quality.

"Disadvantages? The old equipment really holds us back."

When the work schedule is rigorous, there must be a high turnover of personnel, I surmise. "Not much," says Eduardo. "Since we were created on 11 April 1988, we have had 17 dropouts. Of those, 5 were for indiscipline. The others were for illness, or because some did not like the pass system."

A very young engineer, Jose Garcia, came to the site recently and is trying to adapt. He comes from another collective. "You can tell the difference. There is much more work consciousness here. Yesterday at an analysis assembly, people were very combative, very critical, but at the same time fraternal. I feel fine, and if they accept me—I am on probation—I plan to stay here."

This Year

The Cienfuegos construction workers have set many different kinds of records in 1989. They work according to principles established for construction during the current process of rectification: the finishing of projects, their quality and completeness, costs, the organization

and regulation of work, the efficient use and exploitation of human, material, and financial resources, and attention to the individual.

Although they are carrying out two major industrial projects that are of vital importance to the country's industrial development (the refinery and the CEN), they are paying adequate attention to the rest of their plan as well.

They are not profitable yet. They closed 1988 with a cost per peso of production of 1.08. That year, their labor represented 15 percent of the global social product of the province, which is an indication of the magnitude of their effort.

In 1988 their production was worth more than 83 million pesos, 4 million more than in 1987. They also grew in terms of the finishing of projects of all sorts, even though the projects were of greater complexity and importance.

According to the provincial office of the MICONS, this is because of the contribution of the minibrigades, improved organization of projects, and an increase in the level of management.

This year should be one of the best in terms of the completion of projects, as nearly 1,300 homes and 55 important projects are scheduled for completion. In addition, seven other projects, including the first stage of the refinery, an oxygen plant, a pasteurizing plant, and a polygraphic plant, are slated for partial operation.

In addition, a large-capacity comprehensive pork processing center, seven daycare centers, three schools and a polytechnical institute, a polyclinic, an aqueduct, numerous roads and social projects of different types such as supermarkets, cafeterias, sports fields, a swimming pool, and other projects are all slated for completion in 1989.

The work being done in the mountain municipality of Cumanayagua, which includes part of the Escambray, is especially noteworthy. Several communities of over 30 housing units each are being built there at a rapid pace, as are camps for the Youth Labor Army, intended to accommodate 60 soldiers.

These communities, which are magnificent for their architectural beauty, will house agricultural workers and their families. These workers will farm a mountainous area of 10 caballerias, growing coffee, trees, guava, and other vegetables.

The Cienfuegos construction workers have also made some progress in the manufacture of equipment and tools. Since 1988 they have built and put into operation 13 air compressors, 75 water pumps, and prototypes of machines for straightening and cutting steel reinforcement bars, different kinds of pumps, hydraulic jacks and compressors, hammer drills, and numerous hand tools.

This work, along with the recycling of spare parts, the repair and recycling of equipment, and the work of the innovators, has made a decisive contribution.

They feel dissatisfied, however, because the enterprise in charge of performing specialized transportation for the MICONS has been deteriorating steadily over the past few years because of broken equipment and certain supply shortages.

Progress has been made in the organization and regulation of work, thanks to the two contingents of the new type, four brigades that aspire to become contingents, and operations using the brigade method.

Thus, the number of work stoppages has declined by 19 percent since 1986. Some standards that had called for inadequate wages were also rectified.

Since 1986, an effort has been made to eliminate excess earnings and profits in the construction enterprises. For example, in drilling to inject cement in special foundations, enterprises were charging 293 percent of what was appropriate. This led to false "profitability." This was going on in many other areas, but they have been changed now. [passage omitted]

Haiti

PDCH's Claude Sees No Elections in Future

FL0711185789 Port-au-Prince Radio Soleil Network in Creole 1000 GMT 6 Nov 89

[Excerpts] The Reverend Sylvio Claude has once again stated that General Avril is not going to hold any elections whatsoever. [passage omitted] Rev Claude said this as he was talking to us about the government's decision to bring back the prefecture in Port-au-Prince. [passage omitted]

[Begin recording] [Reporter] Mr Claude, we would like for you to tell us what significance you attribute to the appointment of a prefect to head the prefecture of Port-au-Prince, at a moment when the electoral council [CEP] and the government are talking of elections and when the government is supposedly going to step down soon.

[Claude] Well, [laughs] elections is a word I do not use. I do not talk about elections because I do not see any elections coming. The CEP is made up of nine people who are being paid by the government to help it to wheel and deal more crookedly, and to make the Americans, who are children when it comes to politics—what Americans know is how to make money. It is blows that they.... [changes thought] Well, I mean, I do not know, but when it comes to politics, Americans are imbeciles.

Now, Avril is trying to persuade the Americans to give him money—trying to show that he serves their interests,

and doing this and that, and pretending he is going to hold elections. This is not true. Avril will not hold elections.

I am really sorry there is a preacher in this thing! As a Christian, as a preacher, it embarrasses me to see a preacher accepting this crooked wheeling and dealing. [passage omitted]

This is something that I knew would happen. Why? Avril formed a tonton macoute corps. Because his bosses did not agree with what he was doing, he did it another way. I knew this would be done. It is this entire tonton macoute corps that is going to be under the orders of the prefect. It is a corps of spies, a macoute corps that Avril formed for his own security, and he [words indistinct] with a prefecture to manage this macoute corps. That's what it is. They are trained people. The palace commander was training some of them. Another commander, who I think is also in the prefecture, had the other corps—which he was training. It is these corps that are going to become part of the prefecture, to serve Avril as all kinds of secret police, spies, and SD's [secret political police under Francois Duvalier].

[Reporter] How do you feel about the appointment of Major Isidore Pongnon to assist the new prefect?

[Claude] Why, that is normal, because it is a police service! A civilian cannot do it alone. Even if he is devoted to Avril, there are still a few little things...[changes thought] so they gave him a member of the Armed Forces as an assistant. That is all. They put a member of the military with him because it is a police service, a political corps. So this is normal. Because Avril is a military government, he has to put a member of the military next to the prefect, to coordinate things—to beat people, conduct investigations, and this and that.

[Reporter] Thank you, Rev Claude. [end recording] [passage omitted]

CATH Secretary General Cites Aims of Strike

FL0711174289 Port-au-Prince Radio Soleil Network in Creole 1000 GMT 7 Nov 89

[Report by correspondent Raymond Clerge]

[Excerpts] [Passage omitted] The Common Front Against Repression asked the population to support the strike called by the Autonomous Organization of Haitian Workers [CATH] at a news conference held Monday 5 November [date as heard] at No 34, Rues des Miracles, headquarters of the Metropolitan Area Public Transport Drivers Union. [passage omitted]

CATH Secretary General Yves Antoine Richard said the CATH strike was not being held merely to demand the release of militants Mesyeux, Paul, and Marineau, but also to rekindle the people's battle, which must not stop along the way. Let's listen to Richard.

[Begin Richard recording] The objective of this strike is to free the three comrades: Jean Auguste Mesyeux, CATH executive secretary; Kompe Plim, who is a member of the Confederation of Democratic Unity leadership and whom you all know well; and Etienne Marineau, who is a member of the 17 September People's Organization.

The strike must go even further, however. Even if they are released, we must continue "Operation Sweep Them Away." Sweep them away! You know what that means. We must get busy, sweep them away, clean the house!

We have been taking macoute blows from military macoutes since 7 February. First, there was Namphy and Regala. Now we have fallen into the hands of Heubreux and Avril. (?We) must [words indistinct] the operation so as not to let crooked wheeler-dealers, [words indistinct] pursue the struggle for us.

That is why we think that.... [changes thought] We are appointing a strike coordinating committee so that certain people cannot get by undetected to lead the people's struggle.... [changes thought] Later they are going to take the population to elections, elections in which the macoutes are going to do in the Haitian people. [end recording] [passage omitted]

Another person who spoke at the news conference was Ernst Charles, who works for [as heard] the Committee of Revolutionary Unemployed Haitians. Charles said it is time for the government to understand that it cannot hold on any longer, and to hand over power. [passage omitted]

Initiative Group Asks To Visit Alleged Plotters

FL0711153789 Port-au-Prince Radio Metropole in French 1500 GMT 6 Nov 89

[Excerpts] This morning a civilian society initiative group for the respect of the Constitution met with the head of the Department of the Public Prosecutor, attorney Arthur Gerard Delbeau, to request authorization to see the prisoners.

[Reporter Rothschild] Indeed, a civilian society organization called Honor and Respect for the Constitution is attempting to visit prisoners Evans Paul, Jean Auguste Mesyeux, and Etienne Marineau. A civilian society delegation made up of Dr Louis E. Roy, Father Antoine Adrien, Dischler Marcelin [of the Haitian Journalists Association] and a merchant named Mrs Lavenette met just a few minutes ago with the public prosecutor about seeing the arrested men.

The public prosecutor referred them to the examining magistrate in charge of the case. [passage omitted]

[Begin recording, in Creole] [Passage omitted] [Reporter] Did the public prosecutor give you any idea of what kind of physical shape they are in?

[Roy] No, no. He does not know. [passage omitted] We are going directly to see the doyen of the civil court to find out who the examining magistrate in charge of the case is, so that we can ask him the same thing we came here to ask the public prosecutor. We want to be allowed to see them because we have only seen them on television. We have not seen them up close and there was a rumor circulating yesterday that one of them had died. We want to see them for ourselves to form an opinion. [end recording]

We point out that at a news conference this morning the Common Front Against Repression expressed full support for the 7 and 8 November general strike. The members of this front harshly condemned the government's attitude. The front feels Prosper Avril has no reason to envy the Duvaliers. During this news conference, the front called on the population of Haiti to work together to rid the nation of President Prosper Avril. [passage omitted]

Development Organization Outlines Mission

FL0711152789 Port-au-Prince Radio Nationale in Creole 1200 GMT 6 Nov 89

[Text] The National Development and Liaison Center, or CENADEL, announces that it is at the service of science and culture. It exists to help the Haitian people raise the standard of living of all Haitians, to advance the mother country in general.

On Thursday, 12 October, CENADEL had a working meeting with the higher staff and specialized technicians of the National Office for Community Education and Adult Literacy, or ONECA. They discussed many important things: community education problems, literacy, and how to promote social changes throughout Haiti.

During these discussions CENADEL says it made a firm commitment to recruit well-qualified individuals to take refresher courses before opening CENADEL's pilot centers. CENADEL is under ONECA supervision.

In another communique, CENADEL says the public will be informed when these adult literacy centers are going to be opened. There will be centers in the Arcahaie, Cabaret, and Thomazeau areas; in (Boyer, Brochette), and Mariani in the Carrefour area; in Cite Soleil; on Delmas 19, between Impasses Macaya and Silence; in School No 5 in (Ti Aroye) (?on) the road to Leogane; in Jacmel; and in Grand Goave.

This press release from CENADEL also says that it is an apolitical institution. Its mission is to safeguard, or rather maintain, the stability and permanency of the Haitian State, as well as to work relentlessly for the generalized well-being of the Haitian people.

This versatile institution, which is a humanitarian, socioeducational, agricultural, literacy, theatrical, union, and cultural institution, is also going to work to truly promote young intellectuals, the peasant class, manual laborers, and all the nation's social strata, to really have development take place here in Haiti. This will be CENADEL's contribution. CENADEL will work closely with ONECA.

That was a press release from CENADEL sent to Radio Nationale. It is signed by several CENADEL officials, such as Jean A. Belrus, Joseph Joachim Pierre-Louis, Francois Maxim Belrus, and several others.

Court President Interviewed on Judicial System

PA0111181989 Mexico City EXCELSIOR in Spanish 22 Oct 89 pp 1, 4

[Article by Eduardo Chimely]

[Text] Guadalajara, Jalisco, 21 Oct—Carlos del Rio Rodriguez, president of the Mexican Supreme Court of Justice, has said here that drug traffickers' money has no influence on district judges' decisions and that justice is administered freely in the 135 district courts. Del Rio was interviewed here after being honored by the University of Guadalajara.

Regarding amparos and the possibility of abusing them, Del Rio said: "The people trust the federal judicial system, but it is a fact that many amparos, some of them inadmissible in court and others that appear frivolous, are filed. Sometimes this is due to a lack of knowledge." Del Rio explained, however: "If only one of a thousand amparos is well founded and justified, then the effort is worthwhile. This is undoubtedly a show of confidence. We cannot say if the right to file amparos is being misused or abused; we simply issue regulations, and can in no way prevent people from using this resource to seek protection."

Del Rio said that a total of 400,000 to 500,000 amparos are currently awaiting resolution, and that these are divided equally between the so-called direct and indirect writs of amparo.

Del Rio admitted that with the increase in assignments from the Mexican Attorney General's Office, the workload has increased considerably in Guadalajara as well as in the Federal District.

Asked about salaries, Del Rio said: "The state does not have to fight drug trafficking only; it also has to face demands for water, food, roads, health, education, environmental pollution, and other priorities. Consequently, we cannot demand salary increases at this time. We must bear in mind that the federal government has to respond to many other demands from the people."

The judicial branch, he said, has made provisions in the new budget for 4 collegiate circuit courts, 4 unitary circuit courts, and 10 district courts. "Their locations will be determined by the ministers commission appointed for that purpose," he added.

The ceremony to honor Del Rio was sponsored by the lawyers who graduated from the University of Guadalajara between 1971 and 1976, and was organized by members of the University Council and the Manuel Crescencio Herrejon Lawyers Association, which is headed by state Governor Guillermo Cosio Vidaurri. During the event Del Rio said: "This act does not simply honor me; it also expresses due recognition of the federal judicial system."

Arms Seized, Reportedly Bound for C. America

PA0711035489 Mexico City XHTV Television in Spanish 0200 GMT 7 Nov 89

[Report by Francisco Cobos]

[Text] At the customs police post at kilometer 26 in Nuevo Laredo, Tamaulipas customs agents seized weapons and ammunition reportedly earmarked for the Central American guerrillas. The confiscated weapons were found inside a vehicle coming from North Carolina, when four men tried to smuggle the weapons into Mexico. Ambrosio Garza Leal, commander at the northeast customs police post, reported that the weapons were hidden in the doors and trunk of a 1978 Camaro. Garza Leal said the customs agents confiscated four 22 caliber rifles, two 12 mm shotguns, one M-1 machinegun, and over 2,000 cartridges of various calibers worth some 15 million pesos.

[Begin Garza Leal recording] The weapons are worth.... [changes thought] We are not concerned about the value of the weapons but rather about the danger this represents. [end recording]

El Salvador

FMLN Official on Bernard Aronson's Visit

PA0811025389 (Clandestine) Radio Venceremos in Spanish to El Salvador 0030 GMT 8 Nov 89

[Interview with Venancio Salvatierra, with nom de guerre of Mario Lopez, a commander of the Farabundo Marti National Liberation Front, FMLN, by unidentified reporter; date and place not given—recorded]

[Text] [Reporter] Commander Mario Lopez, following recent incidents and terrorist actions such as the attack on FENASTRAS [Salvadoran Workers National Union Federation], the U.S. official [Assistant Secretary of State for Inter-American Affairs Bernard] Aronson came to our country. He said that U.S. assistance will depend [words indistinct]. What do you think about his visit to our country?

[Salvatierra] It is basically aimed at saving Cristiani's prestige and image, as this has been a matter of great concern for the U.S. Government from the beginning. They need a potable image, an image that portrays legitimacy, and an image of moderation that will not isolate the government internationally. The FENASTRAS incident undoubtedly unmasked Cristiani's government. Therefore, Aronson's visit is aimed at saving Cristiani's image and supporting Cristiani's initiative of creating a commission to investigate those incidents, in order to foster hopes and credibility among some groups regarding the government's interest in clarifying the incidents. That was Aronson's intention.

As a matter of fact, Cristiani's image is important for the aid itself. Aspects related to human rights play a very important role in the debates at the U.S. Congress where the aid is approved. Therefore, that aid would be endangered if the debates on violations of human rights in El Salvador are intensified. It could have an effect on that. So what they are really trying to save is the aid to continue supporting the war.

In that regard, we must also remember that within the doctrine of low intensity warfare, the political aspects of the counterinsurgency plan play an important role [words indistinct] that will not appear to be in the extreme right; a government that appears to be more in the center than in the extreme right, in order to create expectations within some groups regarding the government's credibility—and also at the international level. While trying to defeat the rebels militarily and through repression, it is necessary to maintain an acceptable image of the government.

[Reporter] You are a member of the FMLN's political-diplomatic commission. As a result of the FENASTRAS incidents, our front cancelled its attendance at the Caracas meeting. What are the possibilities for restoring the talks and continuing the dialogue - negotiation with the government?

[Salvatierra] The FMLN is interested in a real dialogue, a dialogue that will lead to a negotiated solution of the conflict; in other words, a dialogue that will lead to negotiations. We differ with Cristiani's government on this. From the beginning, ARENA [Nationalist Republican Alliance] has expressed its willingness to participate in a dialogue, but not to negotiate. They have a totally different concept.

From this standpoint, the proposal brought by the Cristiani government delegation to San Jose sought to gain time while keeping the image that the government was engaged in a dialogue. However, the government was not really seeking the path toward a negotiation.On the contrary, it sought to conduct under the shadow of the dialogue actions that will give it an advantage over the FMLN, including terrorist attacks like this one. The operation against the FENASTRAS leadership is part of the Cristiani government policy, and so is the wave of repression against the mass movement from the onset of this government.

The proposal submitted in Costa Rica included mass groups as part of the enemy. All these things are part of the government policy. We cannot allow the government to hide this policy behind the dialogue, as this policy allows actions like the one at FENASTRAS to go unpunished and do not lead to a true solution of the conflict. That is why the FMLN suspended its participation in Caracas, but has not suspended its participation in the dialogue. In fact, the FMLN has undertaken bids to conduct a mediation so that adequate conditions for a dialogue are created and actions like the one in FENASTRAS do not continue. Deep down, we feel that in order for the dialogue to turn into a negotiation that will end the Salvadoran conflict...[changes thought] The progress of the mass movement in El Salvador with all the existing forms of struggle is what will compel the other side to really sit down at the negotiations table.

So long as the other side feels that it can defeat the people, it will not be truly committed to negotiating an end to the conflict. When it sees that the people will defeat it, and that it is forced to negotiate, then a negotiation will truly take place in the country.

[Reporter] Commander Mario Lopez, the latest developments, even following the FENASTRAS attack, indicate that government policy does not seem to change regarding the human rights violations and threats to the mass movement. In fact, the Lutheran Church, or rather its pastor Leardo Gomez, has received death threats. Do you think an internal purge in the Armed Forces is possible? Do you think that with that internal purge it can be possible to stop the extreme human rights violations in the country?

[Salvatierra] The FMLN has proposed an internal purge in the Armed Forces as an important factor in the process of dialogue or negotiations, meaning that the Armed Forces themselves must get rid of the corrupt and criminal elements. However, the crux of the matter is the

need to purge the Armed Forces. The FMLN has told them: Purge yourselves. However, that is practically impossible. On one side, the need to have a true purge in the Armed Forces becomes apparent, because otherwise we cannot make progress and have true democracy in our country. Recent developments are proving the FMLN is right. On the other side, it is clear that criminal elements control the military's power and have influence over the country's political power.

The presence of La Tandona [reference to 1966 graduates of the Captain Gerardo Barrios Military School] in front of the television cameras, following the dialogue session in Costa Rica, was meant to tell the people: We rule and can do as we please. Then the attacks came. I feel that the need to end that situation is evident to all, as well as how right the FMLN stand is. I now want to reiterate that we cannot achieve that goal unless we force the Armed Forces and the government to carry out that purge. By forcing them, I mean that the people's force must tell them to do that if they want to survive. The demand that Colonel Rene Emilio Ponce [chairman of the Joint Chiefs of Staff] leave, as he is one of the chief culprits of this policy, will grow stronger. The people must press and are pressing this demand.

Representatives Discuss FENASTRAS Affair

PA0711172389 San Salvador Canal Doce Television in Spanish 0300 GMT 7 Nov 89

[Ernesto Rivas report—portions within quotation marks are recorded]

[Text] Representatives of several political parties believe it is necessary to clear up the FENASTRAS [Salvadoran Workers National Union Federation] case. They have also said that the commission investigating the attack on FENASTRAS must be autonomous and must carry out investigations. [sentence as heard]

Legally registered parties have held a second meeting on a request from Salvadoran President Alfredo Cristiani. The purpose of the meeting was to discuss the recent attack on FENASTRAS. The closed-door meeting took place in the office of Dr Armando Calderon, president of the Nationalist Republican Alliance, and lasted an hour.

Dr Guillermo Manuel Ungo [of the Democratic Convergence] said it is necessary to outline the functions of the commission and increase the number of political party representatives in the commission. "The commission must be independent and autonomous and have real authority to be able to investigate, and the findings must produce practical and efficient results."

(Aquiles Diaz) said that the good will of the political parties has become evident at this second meeting. He said that the political parties are contributing to face the crisis and the country is enduring. The commission has not yet been created and there are some obstacles, but the political parties could counteract that, he said.

[Reporter] "Have you noticed any real willingness to investigate the FENASTRAS violence, or the other cases?"

[(Diaz]) "I believe so. I believe that President Cristiani definitely has this willingness. What we want to know is if President Cristiani has the power to overcome historical limitations in the investigatory field. We want to contribute."

Dr Ruben Zamora [of Democratic Convergence] referred to the issue: "The president must clearly establish what authority the commission will have, something the political parties want to know. He must also clearly explain what will be done once the results are known. We are tired of having commissions and more commissions while the killing and the violations of human rights continue."

FENASTRAS has been asked to join the commission, a request that has been rejected by FENASTRAS' leaders. It has been said that this position is understandable and that it is necessary to talk with those leaders.

[Unidentified woman] "As a political party we believe it is important to hear what FENASTRAS has to say. Once we talk with it and with the government we may be in a position to give answers to a majority of the people and not to a minority."

[Unidentified man] "Because of this we have proposed that the commission be autonomous and allowed to interview witnesses and be given the authority to ask witnesses and others to answer questions. We also want to know what means of investigation will be made available to this commission."

Dr Calderon said that the questions from the political parties will be responded to one by one over the next few days. One point on which everyone agreed is that this case must be cleared up and the culprits punished. Calderon said that all the parties have agreed on the role they must play in the pacification process. He also scored FENASTRAS' decision to form part of the investigations commissions. "How is it possible to have this kind of action taking place with impunity in our country? It is necessary to get to the bottom of this and to put behind bars people who commit this kind of action, which only serves to aggravate the political, economic, and social situation of the fatherland. This is why we are surprised to see that FENASTRAS is not pleased with the creation of this commission. It is a human reaction, though. The truth is that at this moment there is too much pain. I think the FENASTRAS position is understandable. There is frustration. What has happened is really terrible. This has been a human reaction."

Dr Calderon asked the members of FENASTRAS to reconsider their position and join the commission that will investigate the case. Everything is on the right path, Dr Calderon said. The political parties that met Monday will be meeting again on Friday, 10 November, at the offices of the Central Electoral Council. A record of the

discussions during this meeting will be presented to President Cristiani, who will evaluate them.

Three Leftist Leaders Reportedly Killed by Army

PA0811051989 Paris AFP in Spanish 0458 GMT 8 Nov 89

[Text] San Salvador, 7 Nov (AFP)—Three militants of the Salvadoran leftist Social Christian People's Movement (MPSC) have been killed by Army soldiers in the city of Sonsonate, approximately 50 km west of San Salvador, according to members of that political organization.

Among the victims are Cecilio Rivera, who was responsible for MPSC organizational activities in eastern Sonsonate Department. Rivera was shot to death along with two other party militants whose identities were not revealed. Juan Jose Martel, a top MPSC leader, told AFP that after leaving the organization's office on the night of 6 November, three members were arrested by "a group of armed soldiers in civilian clothes belonging to Sonsonate's Military Detachment No 6.

"We have learned of people who have been captured by these same individuals and have appeared in the garrison later on. We have no doubt that Army soldiers killed them," he added.

Martel explained that the three bodies were found on Tuesday near the city's cemetery where they were going to be buried by local authorities as unidentified persons. He noted that, by chance, a neighbor identified Rivera, and this allowed him to spread the news.

Those responsible for the triple crime left a piece of paper on the bodies which read: "Because they betrayed the fatherland."

Condemning this murder, Martel said that "this new action shows, once more, that in El Salvador there is no democracy and no respect for human rights, and the death squads continue to operate."

On 19 October, suspected death squad members staged a bomb attack on the home of MPSC Secretary General Ruben Zamora, wounding two people and causing considerable property damage.

Lutheran Bishop Reports Threatening Calls

PA0711155989 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 6 Nov 89

[Text] Lutheran Bishop Reverend (Lugardo Gomez) has reported that he has continued receiving threatening telephone calls in which the church is linked to the FMLN [Farabundo Marti National Liberation Front].

The bishop, who is one of the leading promoters of the Permanent Committee of the National Debate for Peace in El Salvador, said that his parishioners are concerned about the death threats and that the Army has laid a military ring around his church's offices.

* Poll Gauges Public Reaction to Cristiani

32480225

[Editorial Report] The San Salvador Spanish-language newspaper EL MUNDO of 11 October 1989 reports on page 2 the results of a poll conducted in September by the University of Central America Public Opinion Institute (IUDOP) among 1,514 adults in urban and rural areas throughout El Salvador.

According to IUDOP, 38 percent of those polled rated the government's overall performance as good or very good. With regard to changes undertaken by the Arena [Nationalist Republican Alliance] government, 34 percent said the changes had been positive, while 33 percent said they had been negative. Responses varied, according to the institute, as to what had been the most positive change, but when asked which change had been the most negative, the vast majority of respondents named price increases. Thirty-five percent of those polled felt that Arena had kept the promises it made during the election campaign, while 41 percent said it had not.

With regard to corruption, 37 percent felt that the government was resolving the problem compared to 34 percent who felt it was not. Seventy-five percent of those polled opposed the lifting of price controls; 17 percent supported the measure.

Nearly half of those polled saw no change under Arena with regard to human rights and repression. Twenty percent felt there is more respect for human rights under the Arena government, while 12 percent said the situation has worsened. Sixteen percent said repression had decreased under the Cristiani government and 18 percent felt it had increased.

The majority of those polled favor negotiation and dialogue as a means of ending the civil war, as compared to 2 percent who favor a military solution. Thus, says IUDOP, both the government and the FMLN [Farabundo Marti National Liberation Front] can count on the support of the population in the dialogue process. However, those polled expressed greater confidence in the government's ability to solve the economic crisis than in its ability to end the war.

The institute noted that most of the favorable responses came from persons in the upper and upper-middle classes.

* Cuban Weekly on Government-FMLN Peace Talks

90EM0023a Havana BOHEMIA in Spanish 29 Sep 89 p 67

[Commentary by Nestor Nunez: "Peace in the Balance"]

[Text] An initial victory for reason, although still facing the risk of the pressures and deceptions of the regressive forces both inside and outside the country, the talks between the Farabundo Marti National Liberation Front

(FMLN) of El Salvador and the government headed by Alfredo Cristiani nevertheless leave some room for hope that peace will prevail.

On more than one occasion in the past, the Salvadoran guerrillas have promoted meetings with the authorities in San Salvador in search of an end to the conflict that has lasted more than a decade and has taken a terrible toll of 70,000 deaths, 7,000 disappearances, and 1 million refugees. The primacy of military solutions in U.S. foreign policy toward Central America, however, along with the complicity of local minions, has thwarted every effort.

This assertion does not imply, of course, any praise of the new Salvadoran Government, which is just as violence-prone as its predecessors. It's just that internal and external conditions have changed and are opening new paths.

The current U.S. Government is experimenting with ways of exerting political pressure in Central America, rather than attempting the military options that were preferred in the past and that also proved to be ineffective. In addition, there are the talks recently held by the presidents of the region, which were marked by a negotiating milestone. In the case of El Salvador, the presidents recommended that a dialogue begin with a guerrilla force that could not be equated with the mercenary bands that are assaulting Nicaragua.

On the domestic front, the FMLN has undoubtedly become a political-military force that is impossible to ignore in Salvadoran life. The guerrillas control vast liberated zones, are capable of paralyzing public transport in the country, and can carry out important missions to the extent that they have established a military balance despite the tremendous U.S. aid to the local army. On the other hand, it is undeniable that the guerrillas enjoy popular support, which is growing in strength and numbers even though this is a country lacking in mountains, with a small territory and a high population density.

Terror has also reached its limit, and is an ineffective weapon for trying to suffocate the masses. Moreover, today large numbers of Salvadorans support an end to the war and a return to peaceful life.

During this decade, the United States has sent more than $3 billion in military and economic aid to El Salvador, yet last year El Salvador's budget deficit exceeded $200 million, inflation was over 20 percent, and unemployment affected more than half the workforce. Traditional products, cotton and coffee, are at their lowest levels in 20 years; industry is working at 40 percent of capacity, and the rate of national development is lower than it was in 1963.

This chaos is also affecting the middle and upper classes, and not a few businessmen and landowners are now leaning toward a solution that will guarantee a return to prosperity. Peace is, first and foremost, a longstanding demand of the workers and the defenseless population, which has suffered the rigors of ultra-rightist violence over the years.

The conjunction of these factors pressured Cristiani to approve the talks, which concluded recently in Mexico and in which the FMLN showed a high degree of diplomacy and took the initiative with a broad agenda that is fully identified with the interests of the nation.

The guerrillas' audacity and honesty resulted, among other things, in the Cristiani government's acceptance of local and foreign observers at the next rounds, monthly bilateral meetings for the specific purpose of ending the war, a commitment by both sides not to break off the talks unilaterally, and cooperation with other social forces of El Salvador in search of peace. At the meeting set for the 16th and 17th of next month in Costa Rica, the FMLN will push its plan for ending the armed confrontations as soon as possible and for rejoining national political life with a view to future elections.

Of course, there are certain logical conditions, including an end to U.S. military support for the government, a self-purge of the ranks of the national army and the so-called "justice apparatuses," the reform of the Constitution that was drawn up expressly for times of war, and changes in the electoral structure.

Numerous prominent Salvadorans have made statements praising the FMLN program, but the government has shown a certain reticence, an attitude that is particularly strong among military leaders. Washington, for its part, has asserted that it will continue sending military supplies to the Armed Forces, obviously to the detriment of any possible settlement.

The danger of a rupture comes from the most fascist sectors within the Salvadoran power apparatus, who are clearly still capable of making their counterinsurgent opinions known. Nevertheless, there are powerful forces that desire peace, and all indications are that the time for conclusive definitions is approaching.

* New Construction Workers Union Formed

32480226

[Editorial Report] The San Salvador Spanish-language newspaper EL MUNDO of 25 September 1989 reports on page 9 the formation of the Trade Union of Salvadoran Construction Workers (SUTES). A communique explaining the reasons for the group's creation noted the key role of construction workers in the country's development and progress in all sectors, and the attitude that employers are getting rich at the expense of the worker. "Of the unions currently in existence, some are too passive while the others are radicalized, lack understanding, and often provoke the intervention of the military authorities which affects the workers even more and, in a way, favors the employers." In the resolution of labor problems, the group advocates "using wisdom and good sense in working towards a peaceful solution which

truly benefits all sides," but it warns against either showing passivity in the face of pressure from employers or becoming radical. According to the communique, the group intends to address the problems of low wages, long work hours, poor treatment, among other issues, and hopes to attract increasing numbers of "democratic and pluralistic" workers to its ranks.

Guatemala

Court To Rule on Allowing Gen Rios' Candidacy

PA0711233389 Guatemala City PRENSA LIBRE in Spanish 3 Nov 89 p 12

[Text] The Court of Constitutionality (CC) [Corte de la Constitucionalidad] has until 14 November to rule on the case of General Efrain Rios Montt, who could be legally barred from running as a presidential candidate in the upcoming elections if this court issues a decision against him.

The CC will give its views on the case as requested by the Congress, which asked the magistrates to clarify existing doubts on some articles of the Constitution, which may thwart the aspirations of the former head of state.

The legislative branch feels that, following Article 186 of the Constitution, Gen Rios cannot run for an elective post. However, the lawyers representing the former head of state note that the law cannot be retroactively enforced.

Gen Rios recently told PRENSA LIBRE that he will run as a candidate despite any adverse ruling by the CC. He said that the laws do not prevent him from running as a presidential candidate.

The CC opened up the hearings so the legally registered political parties could give their views on the matter. Reportedly only one party had done so as of yesterday, but it is expected the other parties will soon follow suit.

According to an official report, the CC has a 60-day deadline, or until 14 November, to convey its answer to Congress.

* 20-Percent Inflation in Early 1989

90EM0021c Guatemala City EL GRAFICO in Spanish 10 Sep 89 p 5

[Article by Arnoldo Cruz]

[Excerpts] Though the government has attempted to downgrade the importance of this phenomenon, the IIES [Institute of Economic and Social Research] of the University of San Carlos reports that inflation has continued to rise, and as a consequence, living conditions for large sectors of the population are deteriorating.

It is also indisputable that during this decade inflation has been spurred on by the economic crisis and the costs of stabilization and adjustment problems. These costs were incurred in the search for a magic solution to the problem of recession.

So, reported the IIES, excessive price increases have significantly reduced the people's purchasing power, even reaching levels similar to those in the early 1970's.

And on the contrary, increases in nominal salary levels have been greatly reduced, so it has been impossible to regain the purchasing power lost through price increases.

The immediate consequences of this situation are seen in the widening of the gap between nominal salaries and real salaries. This clearly shows the extremely severe inflationary dynamics present in the Guatemalan economy. The years 1986 and 1987 were totally inflationary, despite the apparent efforts made to regulate the behavior of prices. As the reader will recall, the government even resorted to decontrolling prices, hoping that the free operation of supply and demand would bring about an adequate price for goods and eliminate inflationary pressures.

But on the contrary, decontrolling prices led to increases, and caused the quetzal to lose 7 centavos in its purchasing power in just 3 years. This, combined with the cumulative effects since the base year of 1980, amounts to a real purchasing power of 0.43 per quetzal, a loss of over 50 percent of its nominal value.

The Guatemalan people have faced those pressures during the first 5 months of 1989, while the inflation rate has climbed to 20.2 percent. This rate, when accumulated and expressed in the IPC [Consumer Price Index], now stands at 252.1.

Year	Consumer Price Index	Inflation Rate(%)	Quetzal's Purchasing Power	Purchasing Power Decline
1980	100.0		100.0	
1981	111.4	11.4	0.87	0.13
1982	111.6	0.2	0.89	0.11
1983	118.0	5.7	0.84	0.16
1984	120.6	2.2	0.83	0.17
1985	143.9	19.3	0.69	0.31
1986	197.3	37.1	0.50	0.50
1987	221.7	12.4	0.45	0.55

1988	231.9	10.4		
0.43	0.57			
1989	252.1	20.2	0.40	0.60

This table shows the behavior of the 1980-1989 cost of living index, using 1980=100 as a base. It was prepared by the staff of the IIES, using statistics from the INE [National Statistics Institute].

These price trends caused the purchasing power of the quetzal to drop to 40 centavos. This means that by May 1989 it had lost 60 percent of the purchasing power it had at the beginning of the decade.

The IIES noted that a significant factor which should be mentioned in this context was the setting of new minimum wage levels in January 1988, which attempted to adjust current salaries to the people's present consumer needs.

However, once again the problem of inflation has quickly reduced any possible gains and benefits of the new minimum wage levels. The most significant nominal variations have not even risen above 30 percent of the new minimum daily wage levels established, so their benefits are really insignificant.

Honduras

Former 'CIA Official' Discusses CIA Activity

PA0711194089 Panama City ACAN in Spanish 2358 GMT 6 Nov 89

[Text] Tegucigalpa, 6 Nov (ACAN-EFE)—Former CIA official Phillip Clay Roettinger said today in Tegucigalpa that that organization "is an invisible army that has toppled some 30 governments all over the world and continues promoting covert operations in many countries."

Roettinger, president of an association of former CIA officials, described the CIA as a "bureaucratic and undemocratic apparatus."

The association, formed in January of this year, includes former officials and agents of the CIA, the Federal Bureau of Investigation, and other intelligence organizations who oppose the way U.S. security policy is handled.

Roettinger, 74, was a Marine colonel when the CIA recruited him in 1951. He was involved in the toppling of Guatemalan President Jacobo Arbenz Guzman in 1954 and worked for the Mexico "station" until 1962, when he returned to private life.

"The murders perpetrated in Guatemala following the military coup and the certainty that the CIA is involved in illegal activity all over the world turned me into a critic of that organization," Roettinger said.

The former official said that "the CIA's footprints can be found all over the world, including in Iran, Guatemala, El Salvador, Brazil, Chile, Indonesia, the Philippines, Bolivia, Poland, and many other countries."

"In Central America the CIA has great influence and is engaged in a major covert operation that seeks to topple the Nicaraguan Government and to control the entire region," Roettinger told ACAN-EFE in Tegucigalpa, where he is now as a member of a delegation of U.S. peace activists.

The former CIA official added that "in Nicaragua the CIA is working hard to keep the (ruling) Sandinist National Liberation Front from winning the February 1990 elections."

He felt the CIA "is promoting covert operations in which all sorts of unlawful activities are committed, but this does not concern the perpetrators because these operations are secret."

In this regard, he added: "The agency operates without real control from the U.S. Congress and public. It is an instrument dominated by U.S. President George Bush and a small group of his closes aides."

In this respect, Roettinger said: "It is the governments of the countries where the CIA conducts its active operations that must exercise control over it."

However, he admitted "that is a very difficult task because the CIA officials often act under diplomatic cover and infiltrate power circles, even opposition organizations, by paying good salaries."

Roettinger warned that "playing with the CIA is dangerous since there comes a time when it controls the whole situation and tramples on the dignity and sovereignty of countries."

However, he said the "CIA is not invulnerable or invincible, as its major failures—including Iran and Cuba—demonstrate."

Roettinger asked the U.S. Government "to make the CIA respect the laws it claims to defend instead of running all over the world leaving a trail of sorrow and dependence."

Nicaraguan Consul to Costa Rica Shot in Capital

PA0711200089 Paris AFP in Spanish 1805 GMT 7 Nov 89

[Text] Tegucigalpa, 7 Nov (AFP)—Police sources reported today that Jorge Castillo Garcia, Nicaraguan consul in Costa Rica, who came here to promote the demobilization of the contras, was seriously injured. He was shot on the evening of 5 November at a Tegucigalpa restaurant.

Arnaldo Amador, security guard at the Domos Restaurant told police that Castillo, visibly drunk, tried to take a motorcycle from in front of the restaurant. Amador ordered Castillo to surrender, believing he was a thief.

According to Amador the Nicaraguan consul attacked him, hitting him on the head. Amador says he then shot Castillo with his submachine gun, wounding him in the left side of the chest, very near the heart.

Castillo Garcia was rushed to the hospital where he is now "recovering", while Amador has been arrested by the police.

A few minutes after the incident, which occurred at 2200 on 5 November, Donal Oliva, secretary of the Nicaraguan Embassy here, came to the restaurant to get details of the incident.

Oliva said that Castillo Garcia had left the embassy about 2 hours before. He said that Castillo had arrived in Honduras last week to promote the demobilization of the contras, established along the Nicaraguan border.

* Economist Rosenthal Addresses CURN

90EM0021d San Pedro Sula LA PRENSA in Spanish 29 Sep 89 p 3

[Report on speech by Jaime Rosenthal Oliva: "We Have Mortgaged Our Children's Future"]

[Text] Jaime Rosenthal Oliva in his speech at the Third Scientific Week of the CURN [Northern Region University Center], said: "We should feel ashamed of ourselves when we face our children, for we are going to leave them in debt with a heavily mortgaged future, and we should feel proud that our parents did not leave us in debt."

Rosenthal discussed the public debt of Honduras, its causes and possible solutions. He spoke about various political proposals to solve the crisis, and reported the national debt statistics.

He said that population growth has outpaced the growth in Gross National Product, causing a decline in per capita product for the people of Latin America.

In Honduras, he said, the public debt has grown to 6.5 billion lempiras. Of this debt, approximately half is owed by the central government and the other half by autonomous institutions.

Of the total of 6.5 billion lempiras, about 4.5 billion of it is our foreign debt (in dollars), and the rest is in Honduran currency (lempiras).

Of the 4.5 billion foreign currency debt, approximately 450 million (10 percent of the total) is owed to foreign commercial banks, and the balance is owed to multilateral or bilateral assistance institutions (the IMF, IDB [Inter-American Development Bank], World Bank, and friendly countries).

He explained that when projects are poorly and inefficiently managed, investments are higher than needed, the rate of return declines, and many of these projects, "as has happened in Honduras," do not generate sufficient resources to pay back their obligations. These obligations then must be handled by current and normal state revenues.

"That is what happened with Corfino [National Financial Corporation] and Conadi [National Corporation for Investment], when the loans obtained did not generate increases in production and in GNP [gross national product] giving rise to new state revenues which would have made it possible to pay back those obligations," reported Rosenthal.

He said that the per capita public debt in Honduras at the present time is approximately 2,000 lempiras per person, and there are many thousands of Hondurans who do not have that much income a year.

The nation's debt rate has been increasing year after year. This year the treasury deficit is close to 1 billion lempiras; this includes obligations that are being paid; those which are not being paid are not included.

Rosenthal Oliva discussed the issue of devaluation, saying that it is a result of inflation and of the poor handling of the treasury deficit and the deficit in the balance of payments. He reiterated that devaluation does not solve a country's economic woes; it only worsens them. It causes a greater reliance on the dollar in the economy and leads to a drain on domestic savings.

He presented the real solution, which is the least painful solution for all social sectors of the nation; it lies in reducing the treasury deficit and the balance of payments deficit.

He said that the way to do this is by reducing government spending, but not on areas such as health or education; rather, spending could be cut from areas related to security and travel expenses, and by putting an end to waste and fraud, which have not been eradicated from the public sector.

In conclusion, he indicated that if we cut government spending and reduce the treasury deficit, this will lower inflation and encourage the Honduran people to save more.

He added: "If we want to make Honduras a great nation, we must control our spending, increase our savings, and reduce our public debt."

Nicaragua

Delegation to UN To Discuss Contra Issue

PA0811142089 Managua Radio Sandino in Spanish 1200 GMT 8 Nov 89

[Text] The Nicaraguan delegation, headed by Deputy Nicaraguan Foreign Minister Victor Hugo Tinoco, to

attend the UN meeting that will discuss the disbanding of the contras is leaving this morning. The meeting will be held on 9 and 10 November with the presence of a delegation of the International Comission for Support and Verification [CIAV], contra representatives, and a Honduran observer. The Nicaraguan delegation also includes Deputy Defense Minister Major Joaquin Cuadra, INSSBI [Nicaraguan Social Security and Welfare Institute] Minister Reynaldo Antonio Tefel, Colonel Ricardo Wheelock, and Commander Luis Guzman. U.S. lawyer Paul Richler will serve as adviser to the Nicaraguan delegation. He served in the same capacity during the Sapoa and Managua negotiations and the Nicaraguan case against the United States at The Hague International Court of Justice.

The only item on the agenda will be the contras' demobilization and the process whereby they will surrender their arms prior to 7 December, as stipulated by the Tela accords.

Draws Up Demobilization Plan

PA0811134989 Managua Radio Sandino in Spanish 1248 GMT 8 Nov 89

[Text] The Nicaraguan Government has drawn up a broad plan for contra demobilization to be submitted to the United Nations on 9 November.

The detailed program for repatriation will fall under the direction of the INSSBI [Nicaraguan Social Security and Welfare Institute]. It contemplates the demobilization of over 9,000 contras who are in the camps in Honduras and inside the country.

During the first phase, the plan involves an investment of over $55 million, and over $150 million for a comprehensive 3-year plan, including land, easy terms for home construction, and financing for production.

Some 6,000 contras would be relocated with their respective families in region one, 900 in region five, 1,000 in region six, 600 in the northern Atlantic region, and 300 in the Rio San Juan area.

The government promises to fully guarantee their security and the exercise of their rights and duties as citizens. Likewise, they will not be tried, punished, or persecuted for past contra activities. In addition, they will have the guaranteed right to free movement and the right to organize or to join political parties.

Foreign Ministry Unaware of Attack on Consul

PA0711201289 Managua Radio Sandino in Spanish 1943 GMT 7 Nov 89

[Text] A Nicaraguan Foreign Ministry source interviewed this afternoon by this news program said that the ministry does not have any specific information on the attack carried out in Tegucigalpa on Nicaragua's consul to Costa Rica Jorge Castillo Garcia.

According to reports from Tegucigalpa, Castillo Garcia was seriously wounded in the chest by a Tegucigalpa restaurant guard who apparently confused him with some other person and shot Castillo Garcia. Castillo Garcia is in grave condition in Tegucigalpa's Escuela Hospital. The Nicaraguan consul to Costa Rica had been sent to Tegucigalpa last week to work on the demobilization of the contras.

Soviet Official Delivers Wheat Donation

PA0711173989 Managua BARRICADA in Spanish 4 Nov 89 p 2

[Text] Igor Popov, Deputy Chief of the Soviet Trade Mission in Nicaragua, on 3 November delivered 11,800 tons of wheat donated by the USSR to ENABAS [Nicaraguan Enterprise For Staple Foods] in Corinto. He said: "Soviet aid to the Nicaraguan people will continue unchanged."

He said: "With this delivery, we are completing the 35,000 tons of wheat promised for this year. We have already delivered the 35,000 tons of rice."

He added that next year the aid, as well as diplomatic relations will remain unchanged.

Popov said that the USSR had sent $11 million worth of food, medicine, and tools for hurricane victims.

He noted that the 5th joint Soviet-Nicaraguan meeting will be held on 20-27 November to further strengthen trade relations between the two countries. During the meeting, the two countries will discuss technological exchanges.

Concerning the credit agreement signed between the two countries on supplying raw materials, Popov said that it has been complied with 100 percent, as have other agreements on supplying farm machinery and tools.

Popov said: "The delivery of this wheat confirms the statements made by our Foreign Affairs Minister Eduard Shevardnadze during his visit to Nicaragua, about continuing and increasing aid to Nicaragua. [no closing quotes as published]

Ricardo Cuadra of the Foreign Cooperation Department received the shipment of wheat. He thanked Popov on behalf of the Nicarguan people and government.

Soviet ship captains Alexandre Nijelski and Aleksandr Klavimg, members of the Soviet Embassy, and Foreign Trade Department officials were also on hand during the delivery of the donated wheat.

More From Arce 'Confidential Document,'

PA0711233089 Managua LA PRENSA in Spanish 2 Nov 89 pp 1, 12

[Part III of report on "confidential document" prepared by Bayardo Arce, deputy coordinator of the Executive

Committee of the Sandinist National Liberation Front, FSLN, for presentation to the FSLN National Cadre School on 26 August 1989]

[Text] Bayardo Arce, in the third part of the confidential document obtained by LA PRENSA from the Sandinist files, admits that the FSLN is hard pressed to meet the expectations of the Nicaraguan people.

Starting from that premise, the highest-ranking FSLN member, now in charge of promoting Don Daniel Ortega's image, admits there are political parties that cannot be ignored because they are no longer small enemies of the FSLN.

Arce said that one of his best guarantees for success has been the principle that there is no small enemy and that at this stage of the game one cannot underestimate anyone. "Even the smallest enemy must be treated as the biggest and most dangerous," Daniel Ortega's campaign manager said categorically.

In a way never before publicly revealed, Arce calls on his closest "cadres" to be aware that the fact that the FSLN has been in power for 10 years is detrimental to the ruling party's image in the eyes of the people, and therefore, "all enemies are big."

Mr Arce estimates that at most 33 percent of people are willing to vote for the FSLN, 25 percent are undecided, and 26 percent will abstain.

Faced with these estimates, the electoral campaign Arce outlined shows as a priority "going after the undecided 25 percent." Arce explains that this is why "we all went out campaigning" when it came time to register.

Arce recalls that the task of registering is up to the Supreme Electoral Council, but that the FSLN, in addition to helping with the work, has to "begin to work in the campaign area to win over the undecided, because polls show that, of the undecided, 7 percent are undecided in terms of for whom to vote, while 19 do not know if they are going to vote at all."

The FSLN, as part of its campaign strategy, will work on the absentee vote, according to the confidential document. This sector will receive the message that to vote is "patriotic," a "civic right," and a "civic responsibility," with the Electoral Action Committee [Comite de Accion Electoral] in charge of taking into account the type of people with whom they are going to work.

Arce reveals that the FSLN is also going to work to consolidate the 33 percent of the voters that support the FSLN, and he admits that the Sandinists are not sure they will always have them on their side, "especially if we take into account the tenuous nature of their support."

The FSLN is thinking of doing something that will be tough to do and that is to draw people away from the opposition.

According to certain polls conducted by the FSLN, which Arce says are not to be publicized, the Sandinist Party estimates that the FSLN is strongest in the urban areas of Jinotega and Matagalpa Provinces. In Chontales and Boaco Provinces, the FSLN believes it has already "lost for all practical purposes."

The Sandinists are basing this position on their belief that the opposition is well liked by people between the ages of 21 and 25 and the FSLN by people between the ages of 16 and 20.

The Sandinists plan to use some social sectors as "shock forces." This has already been discussed by the Region III (Managua) committee and at the CST [Sandinist Central Organization of Workers].

Arce, in coordination with the CST, for example, has selected some workers and appointed them to Voting Table Boards. This means that the Sandinists will continue with their political activities in the labor unions, and at the same time will use politically trustworthy workers as members of the Voting Table Boards.

The FSLN is also working on other sectors. The political agitator explained that artists, journalists, athletes, and others will systematically attend meetings so that they can be used in organizations that will act as shock forces.

There will be meetings with Sandinist artists and athletes to determine what they can do to help the Sandinists' propaganda campaign.

There will be a poll conducted to determine how many doctors and other professionals support the FSLN to use them as pressure groups "in support of the work carried out at community centers and at centers for women and the young."

Another FSLN campaign strategy includes conducting polls to determine the leanings of young people and women. Every 15 days, according to Arce, he will present evaluations and propose strategies to trusted cadres who are close to the nine directors of the FSLN.

All the polls are conducted by the Research and Training Commission, which is directed by Vanessa Castro. The Agitation and Propaganda Department and the Department for the Regional Organization of Cadres no longer exist. These organizational structures, however, are now participating in the FSLN political campaign, which is being financed, according to a confession by Ortega's public relations man, by the state.

The document speaks of the existence of a Finance Commission in charge not so much of collecting funds for the campaign but of guiding the Propaganda Commission to investigate, for example, how much audiovisual equipment the government has in the ministries to put them at the disposal of the Sandinist campaign, thus preventing, for example, the Interior Ministry or the Agricultural Development and Agrarian Reform Ministry from using the equipment all by themselves. "We need all that for the Ortega campaign," Arce said.

Electoral Council Distributes Campaign Money

PA0811121589 Managua Radio Sandino in Spanish 1200 GMT 7 Nov 89

[Text] The Supreme Electoral Council [CSE] has distributed over 5.5 billion cordobas among the political parties and the rightwing alliance that will participate in the elections, Dr Rosa Marina Zelaya has reported.

The CSE secretary general said that in an act showing flexibility the CSE delivered 348 million cordobas to the pro-U.S. coalition. This sum corresponds in part to the political groups that did not participate in the 1984 elections and to the three groups that did participate in such elections.

Dr Zelaya noted that the delivery of the campaign money for council members and deputies is still pending since the aforementioned sum is only for the presidential candidates' campaign. The allotment of financing for the campaign of council members and deputies will depend on the number of candidates registered. The law establishes that the smaller the number of candidates nominated, the fewer funds the parties will receive. However, UNO [National Opposition Union] politicians are not concerned about financing because they receive tens of thousands of millions of dollars from the U.S. Government. However, they are concerned about the continued resignations of UNO candidates in the past few days.

Sandinist 'Mobs' Attack Opposition Marches

PA0711215289 Managua Radio Catolica in Spanish 1130 GMT 6 Nov 89

[Report by Chief Editor Luis Mora]

[Text] Sandinist mobs reappeared this weekend to attack the Nicaraguan opposition in Somotillo and (Maipaicillo) during marches that were held to protest against the Sandinist government.

On 4 November, hotheaded Sandinists armed with sticks and rocks ambushed humble peasants who were walking toward Somotillo, 200 km to the [word indistinct] of Managua, to participate in a march called by the National Opposition Union [UNO].

Four peasants received injuries to the head and rib cage area and had their teeth broken. UNO demonstrators who arrived in Somotillo when vice presidential candidate Dr Virgilio Godoy was speaking immediately reported the incidents.

On 5 November, the mobs also appeared in (Maipaicillo) Municipality, Leon Department, where they threw nails and tacks in the way of vehicles on the highways. The tacks used by the mobs prevented many people from reaching the (Maipacillo) march in their vehicles.

The tires of the vehicle carrying Dr Godoy were knifed, and, as a result, the opposition candidate was forced to delay his departure from (Maipaicillo).

The opposition achieved an overwhelming victory because it managed to attract thousands of people in the two places.

Election Poll Indicates Chamorro Leading Ortega

PA0811022589 Managua Radio Corporacion in Spanish 2300 GMT 7 Nov 89

[Text] San Jose, Costa Rica—Olda Marina Acuna, executive director of Consultoria Indisciplinaria de Desarrollo, CID-Gallup, an affiliate of Gallup International, has stated that an independent poll shows that Nicaraguan opposition candidate Violeta Barrios de Chamorro leads President Daniel Ortega by 11 points. This poll has surprised the Sandinists because their polls give Ortega a significant lead. I know they were surprised, Acuna said, because they told me so.

According to Acuna, the Sandinists said that they did not believe the poll and added that she told the Sandinists: If you want to win the elections, you must take this poll into consideration because our polls are correct.

According to the poll, conducted among 1,226 Nicaraguans at least 16 years old—the minimum legal age to vote—40 percent of those questioned intend to vote for Chamorro, 29 percent for Ortega, and 31 percent were undecided.

Chamorro's lead over Ortega was not as large among registered voters: 36 to 32 percent. Acuna said that 78 percent of the people consulted between 12 and 21 October had already registered to vote and that most of the other people polled intended to register. The registration period ended on 22 October.

The only place Ortega ran ahead of Chamorro in the poll was among registered voters in Managua: 38 to 36 percent. Most government offices are located in Managua, Acuna said. Most government workers support Ortega. The youths support Ortega and so do more educated people. This becomes obvious when poll figures are studied.

The results of this poll were published on 27 October, the 1st day of the hemispheric meeting held in San Jose. On 26 October, the Sandinists released the results of a poll that favored them and made some remarks insulting the CID-Gallup organization, which had already given them the results of its poll.

The poll favoring Ortega, carried out by the Central American University's Studies and Public Opinion Polls, indicated that the Nicaraguan president was favored by 36 percent while Chamorro was preferred by 18 percent.

CID-Gallup General Manager Carlos Denton said that this was the first independent poll conducted by a foreign organization. He stressed that the poll was not paid for by any of the parties participating in the elections and noted that it was a true nationwide poll because it included regions outside Managua. It involved

the entire territory, except the Atlantic Coast and sparsely populated areas, Denton added.

According to Acuna, the CID-Gallup organization received permission from the Sandinists to conduct this poll shortly after the Central American presidents signed a new peace agreement in Tela, Honduras, in August. The organization had previously tried to obtain permission for 1 and ½ years.

Acuna said: They told me—We are not afraid of your poll because we know we are leading. The Sandinists were very kind. They did not charge us for the visas and gave us all the help we needed. They were so kind that I truly felt badly when I had to go tell them about the results. I can guarantee that our poll is good. The data is truly correct. I told them that if we are proven wrong, it would be the first time in 12 years that we were.

Total Casualties Given Since Cease-Fire

PA0711215189 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 3 Nov 89

[All figures as received]

[Text] During the 18 months the unilateral cease-fire was in effect, contra actions resulted in 14 production centers destroyed, 334 kidnappings, and 65 murders. During this time, the contras carried out 47 attacks and more than 123 ambushes, in which 290 civilians—men, women, and children—were killed and 1,278 civilians were kidnapped.

Meanwhile, the Sandinist Army has suffered 998 killed, 707 wounded, and 71 declared missing.

Radio Reports Increase in Electricity Rates

PA0811024489 Managua Radio Corporacion in Spanish 2300 GMT 7 Nov 89

[Text] This afternoon, Sonia Herrera, spokeswoman for the Nicaraguan Institute of Energy, INE, announced new electricity rates for the industrial, commercial, and residential sectors. The increase particularly hurts Nicaraguan workers, who will pay 27 percent more for electricity. The industrial and commercial sectors will pay 18 percent more. This is the second INE rate increase in the past 2 months. If you were paying 10,000 cordobas for your energy service, effective November you will pay 37,000 cordobas. [figures as heard]

Panama

Noriega Sends Note to Texaco President

PA0711151689 San Jose Radio Impacto in Spanish 0300 GMT 7 Nov 89

[Text] A leaflet, circulating in Panama City, contains a confidential memorandum that General Manuel Antonio Noriega sent to Texaco President Nash. In his letter, Noriega said:

My friend Nash: I have sent to the Finance and Treasury Ministry a report with the mechanism agreed upon so that Texaco's income taxes can reach the Panamanian treasury.

The confidential memo circulating in Panama was written on a sheet of paper bearing a Panama Defense Forces' letterhead.

Texaco of Panama is one of the U.S. corporations forbidden by the U.S. Government to pay taxes to Gen Noriega. In the letter, Noriega also expresses appreciation for the valuable cooperation that both Nash and Sierra [not further identified] have offered the Panamanian Government. Noriega added that both Nash and Sierra and their families can rely on Noriega's personal support as long as they stay in Panama.

Noriega finally said he is very much interested in becoming a Texaco shareholder.

Official Comments on Radio,TV Interference

PA0711190689 Panama City Radio Onda Popular in Spanish 1752 GMT 7 Nov 89

[Interview with Ismael Herrera, deputy government and justice minister, by Maria Jose Guzman in Panama City on 6 November—recorded]

[Text] [Herrera] Yes, the Government and Justice Ministry, the Panama Defense Forces, and other state organizations are trying to determine who is responsible for the interference. This is a new mechanism, because television interference has not been frequently used. Radio station interference has been frequent. We are reacting through various state organizations to prevent this from happening again as much as possible and determine who is responsible for this specific interference.

We are now involved in this. We will have to make great efforts to ensure that the legally-established media and the citizens, who cannot prevent this from reaching their homes, are not affected by this interference.

[Guzman] Does the ministry suspect any individual or group?

[Herrera] For the time being we have no specific evidence. However, the investigations continue. We hope to be able to control this to ensure that it will not be repeated. This is no easy task, because we need very sophisticated equipment, and unfortunately, our country cannot obtain it.

However, to the extent of our possibilities, through our technicians and the available equipment, we will try to prevent this from happening again.

[Guzman] Were investigations begun in the wake of the 5 November transmission or were they already underway?

[Herrera] Investigations concerning media interference is nothing new; it dates back a long time. Evidence of this is that once, as you might recall, we managed to stop an escalation in this regard; we managed to seize a large amount of equipment and we even arrested Panamanians and foreigners involved in this kind of activity.

This is nothing new, but I repeat, these investigations call for highly trained personnel and sophisticated equipment. However, we will definitely continue to make efforts.

Further Comments

PA0811003489 Panama City Televisora Nacional in Spanish 2318 GMT 7 Nov 89

[Text] The Government and Justice Ministry is making progress in investigating the clandestine radio and television transmissions that have been appearing regularly. Deputy Government and Justice Minister Ismael Herrera offered information about this:

[Begin recording] [Herrera] The Government and Justice Ministry must guarantee that this type of interference does not occur, and, if it does occur, then the ministry must seek mechanisms to establish who are responsible for this interference in order that they be punished. If it is proven that the media that are suffering the interference are co-sponsors or participate in this irregular practice, then they will also be punished and their license will be cancelled. However, so far there have been no reports of this. Everything seems to indicate that the interference is being done from outside the affected media.

We are beginning large operations in coordination with the Panama Defense Forces and other government agencies that will allow us, through investigations, to determine the source of the interference and to punish those who are responsible for it.

[Reporter] Is there a possibility that these interferences come from U.S. sectors in the canal area?

[Herrera] That is a very real possibility, particularly because of the proximity of U.S. military installations and canal operations areas that are still under U.S. control. It is very possible that this is occurring, because they possess sophisticated equipment which they could use for this type of activity at any given time. However, we do not have the evidence to confirm that this is what is exactly happening. [end recording]

U.S. Troops Damage Park During Exercise

PA0811020589 Panama City Televisora Nacional in Spanish 2339 GMT 7 Nov 89

[Text] The peaceful natural setting of the Summit Botanical Gardens—an area returned to Panama with the implementation of the Torrijos - Carter treaties—was interrupted early this morning when U.S. troops, armed with all kinds of weapons, invaded the park's administrative offices and the area bordering National Sovereignty Park. This action is another violation of the canal agreements and yet another threatening harrassment of civilians in the area. Young soldiers of the invading Army entered the park without the coordinating as required with Panamanian officials at the Combined Board and without any consideration for the tourists and the park's maintenance workers who were in the area. These soldiers, armed with heavy combat weapons, endangered human lives, creating tension and arousing the anger of many Panamanians.

[Begin recording of unidentified man] We could not do anything since they just came into the area and then headed for Gamboa.

[Reporter] You, Sir, what did you see?

[Second unidentified man] I again saw the arrogance of the U.S. Army. We see their arrogance every day and we are sick and tired of it, but we do not know what to do.

[Gutierrez] I am Manuel Gutierrez, a former leader of the National Confederation of Peasant Settlements. Unfortunately, this park is very popular since it is a recreational area for our youth. That is why U.S. troops have raided this park three times with their light tanks and lightning operations (operaciones relampago). They are trying to intimidate and arouse discontent among the park's employees. We believe our people, our Defense Forces, our Dignity Battalions, have to be prepared for the future threats that await the country.

[Third unidentified man] At about 0800 today, approximately 100 U.S. soldiers entered the area and covered the Summit Botanical Gardens Park without having any kind of authorization. They invaded areas that are used only for scientific research and interrupted our work and the tranquility of visitors and park officials.

[Reporter] Where did the U.S. troops enter the area?

[Fourth unidentified man] They entered through the back of the park, then took the center road, and covered the entire park. They brought their cameras and their photographers to take pictures while they invaded the entire area. The U.S. soldiers reached the main entrance of the gardens, took the main roads, invaded the whole area, and then left through one of the garden's side exits. In doing so, they trampled an area under cultivation and partially damaged the crops. They left the gardens and took the road to Gamboa. [end recording]

The warmongering, aggressive, and intimidating actions of U.S. troops today were part of a forced training march, which included a road reconnaissance operation. During the forced march, three U.S. soldiers fainted.

Meanwhile, Panama Defense Forces units observed the new violations of our sovereignty. According to Summit Park Director Aristides Martinez, during the armed U.S.

soldiers' raid on Summit Botanical Gardens today, they seriously damaged a vegetable garden that produces food for the Summit zoo.

[Begin Martinez recording] Well, the effects have been the same as the ones seen elsewhere in the country when the U.S. soldiers have come to bother us. I would call this a hostile action; an action undertaken in a very forceful, aggressive manner toward poor Panamanian people who are only working. We believe this action is inappropriate. Urbano Castillo, our horticultural director, has informed me that several areas have been damaged at the back of the garden. I am now going to inspect the damage so that I can report it to Panama City Mayor Victor Hanono.

[Reporter] Is this the first time the U.S. soldiers have come into this area?

[Martinez] No, they have come here several times—between three and five times—and we are really very tired of them and their actions. [end recording]

Torrijist Organization Issues Statement

PA0711195089 Panama City CRITICA in Spanish 23 Oct 89 pp 12, 13

[Statement issued by the Third Extraordinary Congress of the National Union of National Leaders (UNDINA) in Panama City on 20 October]

[Text] UNDINA is a people's organization identified with the Torrijist national liberation process. At UNDINA's third congress—which on this occasion was of an extraordinary nature—it was decided to address the country with this statement that we believe is a valuable contribution toward attaining our total independence.

The road has been long since we started UNDINA. We have waged great battles within the sector that upholds the commitment of all our generations and that today is headed by Dignity Commander Manuel Antonio Noriega.

Our political organization has issued many documents that have been approved by our plenary. However, we are not including them in our present statement as they would only hinder the document's objectives.

We need only recall that UNDINA has advocated a new republic since March 1976, and issued a manifesto of the same title at that time. The present differences in our country make it imperative that we discuss the new republic again.

In 1976, we warned that the country would go through a difficult and dangerous period due to an increase in U.S. aggression and, regrettably, our predictions came to be. Our people have been suffering poverty ever since they willingly decided to say no to colonialism.

What does the New Republic mean? It means that in a very short period, Panama has gone through several phases and has left behind the frustrated electoral struggle, the ill-called reconciliation, and possibilities of negotiations for formal democracy.

The electoral struggle was left behind. It was a process that was not or could not be visualized as the phenomenom it truly was—the United States with the arrogance of its dollars trying to impose the candidate that represented the interests of U.S. establishment.

Equally left behind was something we told our people at that time: "The OAS will leave the isthmus and it knows perfectly well that it leaves a country that is going through a new phase in its disagreements, that these have been made more serious by the psychological impact of the low-intensity war. The OAS does not want to find any type of agreement; it has simply complied with an order and believed that the North Americans will take responsibility for the results of these actions."

Finally, the past has readily shown us the fact that is today well known—the enemy is not truly concerned about formal democracy. Their devotion to democracy—which would only benefit a privileged few—is false in every sense of the word. A fascist government that is willing to perpetuate the U.S. military presence after the year 2000 is not interested in democracy; this is false democracy.

All the considerations that have been presented clearly show the historic period presently being experienced by the Panamanian nation. It is a period very different from any other.

The difference is not only based on the new modality of low-intensity conflict, but on the increased aggression that includes the direct participation of U.S. troops in the U.S.-Panama conflict. This fact was totally accepted by General Thurman when he announced that a low-intensity conflict was in effect here.

We have observed that as the interference by the United States becomes more blatant to the world, the old creole oligarchy—which has rotted to its core—has displayed increasing signs of not being able to show initiative, efficiency, or leadership.

This is why positions such as the one advocated by lackey Guillermo Endara and the seditious campaign are ridiculous failures.

As we have differentiated between those things that are very essential, and those that are feasible during this crisis, we at this moment wish to define the new Republic's strategic parameters.

The new republic, a national revolutionary state that follows no ideological dogmas, that seeks to bring about the immediate reestablishment of the people's government, and is the greatest achievement of the Torrijist national liberation struggle, demands immediate consolidation.

Instead of adopting formal structures and bureaucratic tests, we must prepare ourselves to defend the threatened fatherland.

Therefore, our first task is to organize our people and adopt all the necessary measures and provisions to ensure that the enemy will not surprise us. All the people's forces must contribute their initiatives and abilities with the understanding that we must advance without creating any costs that could hinder the final goal.

We are at war and the people's government is a way to face the imperialist enemy, because it is the purest and most autochthonous form of struggle based on the daily experiences and practices of the Panamanian people.

The enemy has toyed with disinformation to confuse and merge opposing interests to fight against revolutionary and nationalist postures through oligarchical hegemony.

In other words, to make the frustrations of the confused masses work in favor of imperialism by creating resentment toward government actions.

The resurgence of the people's government, in which the grassroots of society chose their corregimiento representatives as a means to voice their interests, is the first step to counter the perverse goals of colonial domination. This makes the enemy tremble and leaves it without protection. This is why the people's government is a fearsome and terrifying tool to fight U.S. aggression.

Therefore, the people's government has become the most formidable social wall to contain domestic and foreign enemies since the interests of the oligarchy and U.S. imperialism were exposed.

Furthermore, given that the people's government has a guide, a natural leader, and a hero, he must be killed. History is repeating itself because they have decided to assassinate General Manuel Antonio Noriega.

We are living in a special situation; we need emergency laws. The state's structure must be flexible and powerful at the same time to be able to effectively ensure that we survive as an independent state.

The genuinely patriotic labor movements, professional organizations, associations, institutions, peasants, and people in general must unite efforts to achieve a national revolutionary state.

This state is led by Manuel Antonio Noriega, who, by setting an example of sacrifice and resistance, has become the standard-bearer of the liberation cause, a cause that has no ideological guidelines that might separate Panamanians.

The 3 October military putsch should have helped us improve our strategy against the imperialist enemy and convinced us that the aggression will intensify and lead to the establishment of a fascist dictatorship that would only bring about death and sorrow to the entire nation.

Military Arrests Christian Democratic Officials

PA0711232289 Panama City ACAN in Spanish 2239 GMT 7 Nov 89

[Text] Panama City, 7 Nov (ACAN-EFE)—Two Panamanian Christian Democratic Party [PDC] leaders were arrested today in the interior of the country by the Panama Defense Forces, but the reason for their arrest is still unknown.

A PDC communique reporting the arrest of Leticia de Duran and Cristobal Perez states that this "makes a total of 38 civilian political prisoners, many of them PDC members." The document also says that the homes of those arrested, both of which are located in Los Santos Province, were raided by Panamanian policemen.

The PDC is the major political opposition force, according to the 7 May elections that were later annulled.

'Nonviolent Movement' Called To Exercise Rights

PA0711213989 Panama City PANORAMA CATOLICO in Spanish 5 Nov 89 p 2

[Article by Roberto Arosemena Jaen: "The Most Hopeful Change Depends on Us"]

[Text] There is a great deal of talk in Panama about corruption and lack of freedom. Panama's social system is in crisis. Public opinion, manipulated by the media, blames the situation on Noriega as a symbol of Panamanian militarism, and the pitiful Torrijos - Carter treaties are depicted as instruments for permanent foreign intervention. Actually, Panama is in a crisis because the system of political coexistence is worn out.

The restrictions imposed by the U.S. Government on Panama are the equivalent of the Panamanian military's daily armed aggression against the majority of Panamanians.

Ours is an attacked society because it is a society of privilege that deprives the majority of the benefits of the national product. The Panama Canal generates wealth for international commerce and the merchant fleets. The benefits Panama receives from these services are distributed to minorities by a government that has been under military control for decades. The violence practiced by the system is the type of violence that preserves privilege for some and the underprivilege of the unemployed, the destitute, the peasants, and the poor people in general.

"Nonviolent action" appears to be the right formula to recover the people's sovereignty, which belongs to the majority and has been usurped by the military currently in power. Citizens organized under a nonviolent movement will act as people who are free and equal among themselves to guarantee a full exercise of human rights—civilian, political, social, and economic.

At this moment, some of our fellow citizens are being persecuted for demanding justice. Hundreds have been fired from IRHE [Institute of Hydraulic Resources and Electrification] for exercising the right to protest. There are 18 military men in custody, and they are getting the same medicine—and a little more for good measure—that they gave to youths and other citizens. Dozens are being held for political reasons. Some people are in hiding, some are in exile to escape arrest, and hundreds of families are mourning loved ones and clamoring for justice.

The regime violates human rights. Political leaders are subject to pressures which are at times unbearable. The people feel they do not have an effective leadership to stop Panamanian and U.S. soldiers from roaming around our homes and the joint defense sites without any concern for the citizens' tranquillity. The government, which is responsible for safeguarding the property, honor, and lives of our citizens, is part of the problem and not of the solution. Guillermo Endara made a show of nonviolent leadership when he went on his hunger strike. We the citizens have the floor and can take pertinent action to exercise our rights. Fear must be overcome through action.

Health Minister on Possibility of Doctors' Strike

PA0811020689 Panama City Televisora Nacional in Spanish 2332 GMT 7 Nov 89

[Text] During a news conference to explain a vaccination program, reporters asked Health Minister Jose Renan Esquivel about the possibility of a doctors' strike. Esquivel responded: There is still much to be done; we cannot declare strikes against the people. The health program does not belong to the government, but to the people.

Esquivel said that one cannot speak of strikes at this moment because it is the time to fight so that our people will no longer suffer under the terrible economic aggression that the United States is carrying out against our government. There should be no strikes, he said, because doctors were appointed to work for people who need to be taken care of.

Mentioning a possible measles epidemic late this year, the health officials said that a health team is ready to face a massive vaccination program that will be carried out in two stages. According to health officials, the first stage began on 1 November to honor children's day and will end on 30 November. This campaign will cover all elementary school students throughout the country. The second stage will cover children who are between 9 months and 5 years 11 months old, and will be carried out from 1 December to March 1990.

Argentina

Delegation To Meet With British in Montevideo

PY0711131889 Buenos Aires TELAM in Spanish 1152 GMT 7 Nov 89

[Text] Buenos Aires, 7 Nov (TELAM)—According to a Montevideo-datelined DPA news agency report, Uruguayan Foreign Minister Luis Barrios Tassano said in Montevideo last night that Argentine and British Government delegations will meet in the Uruguayan capital from 4 to 6 December this year to pave the way for future negotiations—aimed at the resumption of full diplomatic relations between the two nations.

Barrios Tassano stated that Uruguay had offered to host the meeting, and emphasized that Uruguay is prepared to do its best to make sure "the talks develop normally, as required by the two countries, and to help these talks to be constructive."

The Uruguayan foreign minister did not give any details of the technical meeting between the two countries' representatives, but he did stress that "Uruguay will host the meeting because we have been asked to, and we will do so with pleasure."

Menem, Sarney, Sanguinetti To Meet 11 Nov

PY0711221789 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2050 GMT 7 Nov 89

[Text] Buenos Aires, 7 Nov (NA) — It was officially reported today that Presidents Carlos Menem, Jose Sarney, and Julio Sanguinetti, of Argentina, Brazil, and Uruguay respectively, will meet in Buenos Aires on 11 November to evaluate the progress of the tripartite integration, among other things.

During his private visit, Sarney will dedicate the new Brazilian Embassy, and he will visit, together with his two colleagues, the ABRA [Argentina-Brazil] Fair at the Municipal Fair Center.

Diplomatic circles have indicated that the visits of Sarney and Sanguinetti to this city at Menem's invitation will enable Menem to say farewell to two presidents who, within the next few weeks, will have elections in their countries and will leave their posts.

The Foreign Ministry has released the program for the private visits of Sarney and Sanguinetti. The program indicates that Menem will meet them at 0930 on 11 November at Metropolitan Airport.

At noon the three presidents will go from the Brazilian Embassy to the Olivos residence, where Menem and Sarney will sign documents to authorize Brazilian firms to build the civil works of a hydroelectric plant in Neuquen Province.

The chiefs of state will then tour the Brazilian fair, and at 1600 Menem will say goodbye to his guests at the military sector of Jorge Newbery Airport.

Alsogaray Discusses Debt Negotiation Strategy

PY0711221089 Buenos Aires LA PRENSA in Spanish 7 Nov 89 pp 1, 6

[Excerpts] In view of his forthcoming address to the nation in which he will explain how he intends to approach the foreign-debt negotiations with the foreign creditor banks, we have interviewed Alvaro Alsogaray, personal foreign-debt adviser to the nation's president.

He told us that "this is not the moment to talk, but to act." Our interviewee did, however, have the courtesy to talk with us on the general guidelines of the foreign-debt negotiation strategy, and expressed his opinion on the country's political situation as President Menem's government completes 100 days in office. [passage omitted]

Alsogaray told us, "The largest portion of the foreign debt, some $40 billion of the total $64 billion, is owed to foreign commercial banks. We have some flexibility and some margin for negotiation with some of them, which we do not have with the international financial organizations."

Alsogaray said that the first stage in Menem's government plan calls for concluding an agreement with the IMF, which will give the green light "to start talks with the creditor banks."

The presidential foreign-debt adviser told us that the agreement with the IMF—a prerequisite for negotiating with the creditor banks—will probably be announced in a few days.

He also told us that he will soon address the nation over a radio and television network to make known the guidelines of the strategy, which has already been cleared by the president, for negotiating with Argentina's foreign creditors.

Asked about a statement by Economy Minister Nestor Rapanelli that Argentina may request a 50-percent reduction of the debt, Alsogaray replied that he does not know anything about it, but said that he considers it to be very broad and general, capable of creating confusion. He said, "The banks are very sensitive to those statements. Beginning this week, those announcements, properly approved by the president, will be centralized."

We asked if he were optimistic about the negotiations he will undertake, and he replied, "I believe we can be optimistic. During the Alfonsin government all that was done was to increase the debt."

He briefly recalled that when Martinez de Hoz assumed the post of economy minister under the military regime, the foreign debt amounted to some $9 billion; when he stepped down, it was up to $29 billion. From that time until the Radical Civic Union came to power, the debt grew up to $44 billion. During his term of office, Alfonsin raised the debt to $64 billion.

Alsogaray said, "So, all that was done all those years was to ask for new loans and to pay interest." He then added

that "what I intend to do is to break the debt's ascending trend and begin to reduce it. I cannot anticipate by how much, but I can tell you about the procedure. I have recently been in Mexico to see how the debt problem was tackled there, and I know how the bankers think. With this information on hand, I was able to design the strategy we will apply. It has already been submitted to the president, but it will be reviewed one last time this week. So I cannot yet give you greater details now."

Alsogaray affirmed that "we will get both a reduction of the debt principal and the interest. He added that by converting the debt into an investment we will get banks and foreign enterprises interested in making further investments in the country to help it develop. This is really important, since those enterprises will bring in new money and modern technology, which are indispensable for our development. Those interested in a debt-investment swap are not going to close down a business, they will develop it."

He said, "Consequently, some of the privatizations will be paid with Argentine debt notes to alleviate our foreign debt, and part will be paid in cash that will enter the country. This has nothing to do with the debt conversion designed by the Alfonsin government, which redeemed debt notes with inflation-creating printed money." [passage omitted]

When we expressed our concern over the apparent contradiction between announcements that we have a fiscal surplus of some $45 million on the one hand, and on the other hand, a "quasi-fiscal deficit" of more than $1 billion, Alsogaray gave us this explanation: "The national budget deficit is known as a fiscal deficit and the Central Bank deficit is known as a quasi-fiscal deficit. This quasi-fiscal deficit is generated when the national government, through the Central Bank, sells public bonds (Bagon, Tidol, etc) on which it must pay interest; and when the Central Bank, which requires commercial banks to turn over to it up to 80 percent of their savings deposits, must pay interest on these deposits. The accumulation of interest in both instances creates the quasi-fiscal deficit of the Central Bank, and represents an enormous internal debt that now stands at more than 4 trillion australes."

He recalled that "this internal debt began with the 900-million austral debt that the Government Oil Deposits enterprise could not pay, and so floated bonds to cover it. Other bonds were later issued to cover other needs, and it all snowballed into the colossal internal debt the country carries today. This debt is more important than the foreign debt, not because of its amount but because of its short-maturity profile."

Alsogaray said, "So, the quasi-fiscal deficit accumulated at the Central Bank acts as an agent for [por cuenta] the National Treasury and should be added to the deficit of the nation's general budget."

He then drew a comparison, saying "this surplus only figures in the National Treasury's cash flow and is barely enough to cover minor expenditures, like a family's expenditures in food, but is not enough to meet major expenses." [passage omitted]

Menem Rules Out Nuclear Waste Dump in Chubut

PY0811000089 Buenos Aires TELAM in Spanish 1953 GMT 7 Nov 89

[Text] Puerto Madryn, 7 Nov (TELAM)—Argentine President Carlos Menem has "absolutely" ruled out the possibility of building a nuclear waste dump site in the town of Gastre in Chubut Province.

The head of state briefly talked with journalists at the brand-new El Tehuelche Airport, shortly before returning to Buenos Aires.

Menem said that "this project" has aroused considerable criticism and now it "must be forgotten." This project involved the preparation of land near the town of Gastre to serve as a nuclear waste dump site.

Construction Workers Union Office Bombed

PY0711143089 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1250 GMT 7 Nov 89

[Text] Buenos Aires, 7 Nov (NA)—A bomb went off early this morning at a branch of the Construction Workers Union of the Argentine Republic (UOCRA) in San Justo, Greater Buenos Aires. The bomb caused damage but no one was hurt.

The bombing took place at the UOCRA branch office at 3432 Ocampo Street in San Justo. Two activists, who were in the building at the time of the explosion, were not hurt even though the bomb broke windows and doors and damaged the masonry of the building.

Bolivia

Growers 'Insist on' Implementation of Coca Plan

PY0811002789 La Paz PRESENCIA in Spanish 24 Oct 89 p 7

[All quotation marks as published]

[Text] The coca-growing peasants have asserted that the Coca Crop Substitution and Development Plan (PIDYS), drafted by themselves and the Bolivian Government in 1986, is the best answer and the best alternative to the "Bennett" proposal, which the United States suggested as a solution to the problem of coca production in Bolivia.

Saul Lara, legal adviser of the Federation of Tropical Peasant Workers [Federacion de Trabajadores Campesinos del Tropico], has told PRESENCIA that the coca growers will insist on the implementation of the PIDYS which, "for lack of political will and economic resources could not be effectively implemented."

The coca-growing peasants have asked for an opportunity to explain the sector's opinion to the National Council Against Drug Abuse and Illegal Drug Trafficking [CONALID].

The PIDYS was the result of an agreement signed between coca growers and the government on 6 June 1987 and ratified in May 1988, a few days before the May 1989 elections, Lara said.

The PIDYS, which summarizes the peasants' proposals, is an overall plan based on the conviction that regional development of the coca-producing zones, education, and a secure market for alternate products will allow the country to successfully face the problem of surplus coca production," Lara said.

The coca-growing peasants do not accept the Bennett Plan due to its essentially repressive characteristics, Lara added.

Of the $270 million that the United States will allocate to fight drug trafficking in Bolivia, Peru, and Colombia, more than 80 percent, or some $97.5 million, will be used for repressive operations by the police and military.

Routes for Drug-Processing Chemicals Revealed

PY0711135389 La Paz PRESENCIA in Spanish 24 Oct 89 p 7

[Text] A report given to PRESENCIA by officials involved in the struggle against drug trafficking states that organizations made up of Brazilians and Bolivians are using air and river routes to supply the chemicals needed to process cocaine in Bolivia.

The "confidential report" states that the chemicals, which are used for the oxidation and crystalization of cocaine sulfate, are coming from the cities of Guajara Mirim, Costa Marquez, Vila Mortinho, and Porto Velho in Brazil.

The report adds that Porto Velho, the capital of Rondonia State, is where the gangs are concentrated and is the main source of chemicals for the cocaine-processing laboratories spread throughout the dense jungle of northeastern Bolivia.

Every day a subtle but effective network, the report notes, delivers "piecemeal contraband [contrabando hormiga] shipments of chemicals" to Bolivia, a country where these substances are not produced.

This contraband is brought to the towns of Guayamerin, San Joaquin, Magdalena, San Ramon, and Santa Ana in northeastern Bolivia. From these towns it is taken to the processing laboratories in the jungle.

This is not the only chemical trafficking going on. The large drug-trafficking "lines" operating in Bolivia bring their chemicals from Colombia. "The chemicals, without which the drugs could not be processed, are smuggled from Leticia, in Colombia, via Brazil," the report states.

It is becoming more obvious every day that the cocaine-processing laboratories are very busy in Beni Department, which, because of its dense jungle and difficult transportation, favors illegal activities.

The confidential report states that coca leaves, the raw material used to process cocaine, are transported to Beni Department especially from the Chapare region.

Bilateral Issues Reviewed With Argentina

PY0711182989 La Paz EL DIARIO in Spanish 29 Oct 89 Section 2 p 18

[Text] The Foreign Ministry yesterday released the final document on a meeting that Foreign Affairs Under Secretary Javier Murillo de la Rocha and Raul Carignano, Argentine secretary of state for Latin American affairs, held in Santa Cruz on 23 and 24 October. Herewith is the text of the document:

"An Argentine delegation, presided over by Dr Raul Carignano, secretary of state for Latin American affairs of the Argentine Republic, and a Bolivian delegation headed by Dr Javier Murillo de la Rocha, under secretary general of the Ministry of Foreign Affairs and Worship, met in Santa Cruz de la Sierra on 23 and 24 October.

The objective of the meeting was to analyze several bilateral issues within the framework of the integration process between the two nations.

Faithful to the two governments' political will to promote reciprocal cooperation in all fields, the two delegations analyzed the following issues:

Joint Development of Natural Gas

The Argentine delegation said that the payment in hard currency for natural gas purchased during the period between May and August 1989 implies an extraordinary effort by Argentina. The Bolivian delegation is fully aware of this effort.

Concerning the next stage, November 1989 through 1992, the two delegations analyzed the natural gas contract, exchanging views on the future system of payments.

The Argentine delegation expressed its government's political will to design and implement a joint mechanism that will exploit the natural gas industry to the benefit of both countries.

The Bolivian delegation highlighted the importance for bilateral integration of the continued sale of natural gas to the Argentine Republic after 1992.

Joint Railroad Project

The two delegations emphasized the importance of the railroad connection project on regional integration, including both completed work and that which is currently pending.

The two delegations, however, agreed that in the absence of foreign financial support—which will be jointly negotiated—the activities of the joint commission should be suspended. To this end, the two governments will sign an accord within 30 days to terminate the commission.

Main Commission for Integration

The two delegations agreed to sign an accord creating the Main Commission for Integration between the two countries.

Illegal Traffic of Vehicles

The two delegations expressed their governments' concern over the increasing volume of smuggled vehicles across the border. To efficiently cope with this problem, they agreed to sign—within the shortest possible time—a Vehicle Return Accord that will cover vehicles that were smuggled into either country.

Drug Trafficking

With a view to preventing drug abuse and repressing the illegal trafficking of drugs and psychotropic substances, the two delegations agreed to sign, within the shortest possible time, an accord to regulate cooperation in this field.

Economic Cooperation Accord

The two delegations stressed the need for an economic cooperation accord that will promote bilateral economic cooperation.

Air Transportation

The two delegations agreed on the need to improve air transportation between the two countries, considering the increased bilateral traffic and the substantial regional level benefits."

Border Committees

Taking into account the necessity of ensuring a fluid and orderly border relationship that will promote increased regional trade; facilitate the transit of people, goods, and commodities; and strengthen integration; the two delegations agreed to install the "La Quiaca-Villazon" Border Committee in December 1989.

The two delegations also reaffirmed their decision to create the "Aguas Blancas-Bermejo" and the "Pocitos-Yacuiba" Border Committees.

Follow-up Committee

Aware of the complexity of their reciprocal relationship—involving trade, drawing up projects, participation in international bids and contracts signed in various areas of their economic activities—the two delegations decided to create a Follow-up Committee.

Las Pavas Project

The two delegations agreed to conduct a feasibility study and the project's final draft, using reimbursable funds for technical cooperation. These funds will be secured from third countries or from international organizations. The two delegations also agreed that the respective national institutions will be fully in charge of implementing this feasibility study.

Pilcomayo River

The two delegations agreed on the need to resume, as soon as possible, the studies on the Pilcomayo River Multiple Use Project, involving Argentina, Bolivia, and Paraguay.

The Argentine side also provided ample information on the works and projects that Argentina and Paraguay are jointly implementing in the Lower Pilcomayo Basin.

Waterway

The two delegations confirmed the decision to resume the studies, negotiations, and agreements on the waterway project, emphasizing the importance and the significance of incorporating Bolivia's natural outlet to the Atlantic by river through the waterway project.

Infrastructure Works

The two delegations agreed on the urgent need to implement infrastructure works, especially the road network, that will meet the priorities of bilateral integration.

Free Zones

The two delegations reaffirmed the significance of creating duty-free zones in the border areas. The two delegations also recognized the need to outline, within 90 days, practical ways of using the duty-free zone in Rosario (Argentina). To this end, the Bolivian Government will report on the possibility of carrying out the maintenance work within its purview.

Wheat Donation

The Argentine commitment was reaffirmed. The Argentine National Grain Board will report, within 30 days, on the shipping date for 3,000 tons of wheat flour.

Bookkeeping

The two delegations agreed to recommend that their respective central banks formalize provision B of the Notes of Mutual Concessions of 6 September 1989.

Cultural Affairs

The two delegations reviewed cultural points with the goal of strengthening exchanges in the fields of education, science, and university relations.

The two delegations emphasized that the Argentine and Bolivian foreign ministers will meet in the 2d half of

November in the city of La Paz. The two delegations also confirmed that the presidents of Argentina and Bolivia will meet in the 1st half of December 1989 in Buenos Aires.

In conclusion, the two delegations emphasized the positive framework of cordiality and understanding that prevailed during the meetings. In view of the meetings of the Argentine and Bolivian foreign ministers and presidents, the two delegations described the study and analysis of these topics, which will be permanently continued through the regular channels of the two Foreign Ministries, as valuable.

Brazil

President's Reaction to Collor de Mello Speech

Sarney To File Lawsuit

PY0711155189 Brasilia Radio Nacional da Amazonia Network in Portuguese 0830 GMT 7 Nov 89

[Excerpt] During today's PRN [National Reconstruction Party] political program President Jose Sarney will answer the charges leveled by PRN candidate Fernando Collor de Mello. Sarney will also ask the Superior Electoral Tribunal [TSE] to suspend Collor de Mello's political program and, through the Justice Ministry, file a civil and criminal lawsuit against Collor de Mello.

This decision was announced to progovernment leaders in congress and to Deputy Ricardo Fiuza, PFL [Liberal Front Party] leader in the Chamber of Deputies, during a meeting at Alvorada Palace.

Deputy Luis Roberto Ponte, progovernment leader in congress, did not give details of Sarney's response but noted that the president will reestablish the truth. Ponte said that Collor de Mello may be harmed by this incident. [passage omitted]

Bitter Over 'Insane' Charges

PY0711181289 Rio de Janeiro Rede Globo Television in Portuguese 1520 GMT 7 Nov 89

[Statement by President Jose Sarney on radio and television free time electoral campaign broadcast on 7 November—recorded]

[Text] God knows the bitterness I am feeling right now. Brazil is witnessing a savage, violent, inhuman, and insane attack directed against me by a deeply deranged candidate. This is an insult to democracy; only those who have no arguments or facts resort to insults.

I must defend the dignity of my high position, which is being undermined by someone who has no respect for it, although he wants it for himself. I am a victim of violence, verbal vandalism, and moral terrorism.

I ask you: What would he do in power if, even as a mere candidate, he does not respect the post of the president of the nation? Elections cannot be turned into a podium for cursing and bragging.

I have asked the Superior Electoral Tribunal to allow me to exercise my right to respond. The tribunal, understanding that Mr Collor's remarks have offended the petitioner and that they may constitute defamation of character and possibly slander, has ruled in favor of my request. Mr Collor has committed the crimes described in Articles 324, 325 and 326 of the Electoral Law. I have therefore decided to sue him and he will have to answer in court.

I am not a candidate for president, nor do I support one. I am the president of the nation and I am not the guardian of, nor responsible for, anyone's behavior. I have friends and associates on every candidate's team. My duty is to carry the democratic transition through.

During my term in ofice I have guaranteed the greatest freedom that our country has ever enjoyed. I have treated everyone respectfully, considerately, and humbly. I have never threatened, discriminated against, or persecuted anyone. Nothing will make me change course. We are marching toward elections, toward the installation of whomever is elected. I will remain calm and evenhanded to guarantee public peace and respect for constitutional rights. I will not lose my cool. Someone who lacks moral stability and self-control cannot be the president of the nation.

Direct Dialing to USSR, 13 Countries Started

PY0711234189 Brasilia Domestic Service in Portuguese 2100 GMT 7 Nov 89

[By Gisele Benitez]

[Excerpts] Communications Minister Antonio Carlos Magalhaes today initiated the international direct dialing system to the USSR, Iraq, and 12 other countries. Brazil is now connected through the direct dialing system to 154 countries.

At the ceremony, Minister Antonio Carlos Magalhaes called Brazilian Ambassador to the USSR Ronaldo Sardenberg in Moscow. [passage omitted]

Directors of Embratel [Brazilian Telecommunications Company] and Telebras [Brazilian Telecommunications, Inc.], and Soviet Ambassador to Brazil Leonid Kuzmin also attended the dedication ceremony.

Chile

* Possible Bank Privatization Decried

90ET0004b Santiago HOY in Spanish 25 Sep 89 pp 39-42

[Interview with Alejandro Hales, president of the Committee for the Defense of the Bank of the State, by Roberto Sapag Q.: "Let Us Exorcise the Demons of Privatization"]

[Text] Alejandro Hales has his own "holy war": preventing "the Bank of the State of Chile from being sold down the river to voracious private interests."

The mere mention of the possibility that the bank might be privatized gets Hales' dander up. It raises his hackles. Especially because he, along with two other ministers of President Ibanez (Juan Bautista Rossetti and Rafael Tarud), signed the law that gave birth to this institution in 1953.

It is for this reason that he makes it no secret that he is willing to defend the bank "to the final consequences." It is also for this reason that he was nominated president of the Committee for the Defense of the Bank of the State. "To see if we can keep them from cheating the country again."

Of Palestinian descent, Hales is 66 years old. He has served as a cabinet minister, ambassador, and president of the Bar Association.

He defended this "national legacy" to HOY thus: "We want it to be well understood...we are willing to promote a great national mobilization and carry it to the final consequences. This will be a mobilization of the candidates, of all parties across the board, and of social organizations. We are going to go out into the streets, to hold forums and seminars...all that and more, until privatization is called off."

[HOY] And all this, just over a draft that isn't even a bill yet?
[Hales] Well, we are happy that it's just a draft and not a bill, especially because it seems that there are people in the government who do not want this privatization to happen.

Now, whether it's a draft or a bill, we will be on the alert anyway.

[HOY] Do you honestly believe privatization will materialize?
[Hales] My impression is that it will not. It won't, primarily because some members of the Government Junta are quite sensible, and they realize that there is no advantage to a privatization of this nature.

I think that this attempt to make the Bank of the State private will not come to fruition, because I am convinced that people like Admiral Merino will not let it succeed. I also think that General Pinochet will not insist on it.

[HOY] If it is introduced as legislation, what demands will there be?
[Hales] That it be submitted not just for the consideration of a few leaders who follow the official line, but also to elicit the opinions of important institutions in the country that are aware of what the Bank of the State has been and can be, especially in the era that is about to dawn.

[HOY] Institutions that are aware of what, for example?
[Hales] The fact that the Bank of the State was created as a tool of productive development, designed to stimulate production and develop investment plans, to help people of limited means and to channel loans toward those who did not have access to them, such as farmers, Araucanian Indians, and small businessmen.

[HOY] Are you opposed to privatizations in general, or just this initiative?
[Hales] It's not a matter of being against privatizations in principle; we believe that the role of the state that should be fulfilled through the Bank of the State would be lost. We believe that the state should be a promoter of private activity, and that it can really contribute to development. So if you take away this tool, what can the state do if it has practically nothing? We don't want a repeat of what happened with the Chilean Chemical and Mining Association (Soquimich), a transfer that no one knows anything specific about. When we created the Soquimich, we did so to have an instrument that would save the saltpeter industry, save the workers and strengthen the North. That whole sacrifice ended up in private hands, however, in transactions that were not entirely clear. Why do they do that?

[HOY] It is argued that private entities perform better than the state.
[Hales] That is not a legitimate argument. This bank has been better managed than the Bank of Chile and the Bank of Santiago, where the top economic officials of this country worked. The wizards of privatization, the great financiers, the Chicago boys, the piranhas, the ones who created enterprises on paper and sometimes actually in real life—they were all there. We don't want the financial genius that was responsible for those disasters to take control of the Bank of the State. Perhaps to dictate how it will be managed. Don't tell me it's so that the workers will be represented. Basically what they want to do is pay them off, give them their compensation early so that they can speculate later, making the stock prices fall and ending up with everything.

[HOY] So you don't think there is any intention of incorporating the workers into the management of the bank?
[Hales] The underlying reason for wanting to privatize the Bank of the State is to put it in the hands of certain sectors. It is not true that this is an act of homage to the workers. It is not even a transaction designed to increase their capital. To make it perfectly clear, what they are doing with the Bank of the State is, instead of fattening the animal to take it to market, they are making it

thinner so that they can sell it down the river to voracious private interests. I wouldn't be surprised if tomorrow a financial group made a move to buy it.

[HOY] But it has been said that there would be about 6 million shareholders, counting workers and customers.
[Hales] It is absurd to think of 6 million shareholders in the bank, as some claim. Imagine what it would be like to have a corporation with 6 million shareholders; imagine the board of directors sending out 6 million annual reports, 6 million summonses, 6 million proxies. Also, where would they hold the shareholders' meetings? They would need three or four O'Higgins Parks.

What is going to happen here is what always happens: organizations are formed, proxies are obtained, and finally a small group ends up controlling everything without needing to own 51 percent of the shares.

[HOY] But some contend that a mixed corporation should be formed, with shares that could not be sold to financial groups, political parties, or foreign investors.
[Hales] That is absolutely impossible. All they would have to do would be to show in 2 years that there were no profits, and the workers would sell immediately. This would happen because it is unconstitutional to make prohibitions in this area. You can't prohibit a person from selling what he owns. The idea you mention, which comes from Lamberto Perez, runs counter to the entire discourse in favor of private enterprise. It is simply an absurdity.

[HOY] What financial effects would you expect the privatization to produce?
[Hales] It would make the state lose importance, and the financial consequences of that cannot be foreseen. If the bank is in the hands of the state there is direction and control by the Finance Ministry, for better or for worse (I say that because under this government it has been for worse, as in the case of the credit granted to the CRAV [expansion unknown] under pressure from the executive branch, contrary to the technical opinion of the bank. Nearly $80 million went toward the purchase of the Linares and Los Angeles plants from the Production Development Corporation. In other words, state money went to buy state property, and the plants themselves, that is, state property, were put up as collateral).

[HOY] Was another of those bad transactions the loans to some press enterprises?
[Hales] I don't think there's any need to get into a debate on the matter. If you want me to cite a few examples openly, however, there were those loans to the major businesses in the press, and no one knows exactly what discounts were made. We think it would be nice to know what happened, since many other people with loans from the bank would be in a different situation if they had had the same sales as Cervecerias, EL MERCURIO, and LA TERCERA.

[HOY] The Defense Committee has also cited geopolitical reasons for opposing privatization. What are they?
[Hales] On this point I will say something with great authority: I led the first ministerial delegation that went to Arica in 1953. I went on that trip with officials of the recently formed Bank of the State for the sole purpose of coming up with solutions to the problem of capital flight to Tacna. That was how the idea arose that there should be branches of the bank all over the country. We think that a private administration would not do that; it would not open up offices in places that are not profitable (they didn't do it during the boom years, and they won't do it now). We believe that this notion of sovereignty that Ibanez succeeded in grasping so well should be preserved.

* Clodomiro Almeyda Views FPMR, Violence

90ET0005b Santiago EL MERCURIO in Spanish 24 Sep 89 p D3

[Interview with Clodomiro Almeyda, leader of Socialist Party-Almeyda Faction, by Raquel Correa: "The Manuel Rodriguez Front Is Morally Justified but Is Politically Negative"; date and place not given]

[Text] [EL MERCURIO] You were punished as an apologist of violence. What do you think of terrorism?
[Almeyda] I'm an enemy of terrorism. And I said so during my defense before the Constitutional Court. I think that very few people, if any, in the world are in favor of terrorism.

[EL MERCURIO] Except the terrorists....What is your ethical, philosophical, and political stand on terrorists?
[Almeyda] I consider them wrong. Terrorism is no help to democracy.

[EL MERCURIO] In your own defense before the Constitutional Court you argued that "the right to resist and rebel against a tyrannical regime is altogether valid."
[Almeyda] Of course. That's something else. I think that violence is justified in many cases. In war, of course. I'm against war, but I assume that the military thinks that there are honorable wars in which violence is justified. But I want to clarify that violence has nothing to do with terrorism. There is justifiable violence, naturally.

[EL MERCURIO] As for the people in the Manuel Rodriguez Front, some regard them as heroes, others as criminals. How do you judge them?
[Almeyda] There was an internal split there, of course. I think that the emergence of the Manuel Rodriguez Patriotic Front [FPMR] is a sociologically explainable phenomenon that is justified morally but is a politically negative phenomenon.

[EL MERCURIO] Just a second. I want to grasp this clearly. Could you repeat that?
[Almeyda] The Manuel Rodriguez Patriotic Front is a sociologically explainable phenomenon that is morally justifiable but politically negative for the objectives that it is pursuing.

[EL MERCURIO] Do you mean that you are morally justifying violence?
[Almeyda] Of course. I am justifying their feeling, individually, that they have to use this method. I think that politically it's a mistake, but I don't condemn them morally. Politically I disapprove of them.

[EL MERCURIO] What are your values when you speak of morals? In an interview you said that you do not disapprove of abortion....
[Almeyda] I'm not an expert on the issue of abortion, but as for violence, I think that there are cases in which it is justified because it is legitimate. And when violence is legitimate, it is not morally condemnable. If there had been a war between Argentina and Chile over the Beagle, the overwhelming majority of Chileans would have felt that such violence was legitimate. I wouldn't have.

[EL MERCURIO] I'm not asking you about a war between nations but about guerrillas, the murder of Carabineros, bombings in movie theaters or at an airport....
[Almeyda] I don't justify that.

[EL MERCURIO] You don't justify acts of violence or terrorism but you do justify terrorists morally?
[Almeyda] I make the distinction, because the two things are different. An army can act within or outside the laws of war. It's not the same thing....

[EL MERCURIO] I'm asking you about the Manuel Rodriguez Front, which was created to engage in violence.
[Almeyda] I don't think that it was established to engage in violence. That's not legitimate.

[EL MERCURIO] So then, you condemn the murder of a policeman or the bombing of a public place but not the people carrying out such acts?
[Almeyda] What I'm saying is that those who feel that a government is illegitimate and organize to fight against it are not committing an immoral act.

[EL MERCURIO] Depending on the methods they use, or not?
[Almeyda] Of course. This is why I find terrorism reprehensible. I don't think that the Patriotic Front has been organized to engage in terrorism. That would change things. It may have committed some acts of terrorism, which is different.

[EL MERCURIO] If the Concertacion takes power, will you ask the government to pardon the people who tried to kill Pinochet?
[Almeyda] Yes.

[EL MERCURIO] To pardon those who killed five bodyguards?
[Almeyda] Yes.

[EL MERCURIO] On the basis of what argument? That it was a legitimate act?
[Almeyda] No. That from their ethical standpoint they would deserve amnesty.

[EL MERCURIO] From their ethical standpoint?
[Almeyda] Moral standpoint. We're talking about a pardon or amnesty. And people receive pardons or amnesty for crimes they have committed. And in the case of these people, I think that there is more reason to give them amnesty than some others who were. From their standpoint they were doing something that they felt was correct.

[EL MERCURIO] Speaking of amnesties, are you in favor of repealing the 1978 Amnesty Law?
[Almeyda] I'm in favor of repealing it.

[EL MERCURIO] How do you explain the contradiction between wanting to give amnesty to the murderers of five bodyguards and opposing an amnesty that has already taken effect and was enacted to benefit both sides?
[Almeyda] The fact is that it was not made for both sides, as you know.

[EL MERCURIO] Do you think that lifting the amnesty would contribute to social peace?
[Almeyda] I think that as long as we do not know the truth about what happened and who the guilty parties are, there will be a negative element for peace.

[EL MERCURIO] Is your political group prepared to go all the way on this issue under the new government, or is it something on which there can be compromise?
[Almeyda] There are some things that cannot be compromised. I think that truth cannot be compromised. Nor can crimes against humanity. What does not fall under this can be discussed.

[EL MERCURIO] In your judgment, violence can be morally acceptable but politically negative. Using this same criterion, do you think that calling for the lifting of the Amnesty Law is politically positive?
[Almeyda] From one standpoint it could be negative, if one thinks that it could predispose the Armed Forces against the return of democracy. But from another standpoint, we have to think that we can't wipe the slate clean and leave everything that happened during that period in the dark, because this is going to upset a sector of the country.

[EL MERCURIO] Don't you think that it's sensible to conclude that this could be the price for restoring democracy in the country?
[Almeyda] Does that mean that if the truth were known, we would learn of things about the Armed Forces that are so grave that they would rather not have democracy? I don't think that the Armed Forces take that attitude.

[EL MERCURIO] As far as you're concerned, is this issue so high a priority that it would be a reason for supporting or opposing a future Aylwin administration?
[Almeyda] It's a very important issue. I couldn't regard it as something insignificant or trivial...but our entire course of conduct is not going to depend on whether the Amnesty Law is repealed or upheld.

*** Santiago Congressional Campaigning Detailed**

90ET0004a Santiago QUE PASA in Spanish
28 Sep 89 pp 6-11

[Article by M. Fresno and L. Garcia: "War in Santiago"]

[Text] Just like the good old days. The candidates, all of them (with a handful of exceptions), finished up the Independence Day celebrations with a little indigestion from eating so many empanadas, washed down with the obligatory red wine. There were even some city-slicker cowboys who had to rehearse in order to appear more "fitting" and natural at their compulsory appearances at "ramadas" [arbors], rodeos, and festivals of that sort. Some of them, in addition to making toasts with "chicha" [fermented grape juice] in "cachos" [cups made of cow horns], seized the opportunity to participate in kite-flying contests, join caravans, or play in soccer games. (Not everything will be eating and drinking, after all!) Pure electioneering.

The celebrations on the 18th were the official kickoff of the parliamentary campaigns in the Metropolitan Region. Flags, posters, and bumper stickers reminded those who remained in Santiago that the elections are less than 3 months away.

The more than 130 candidates who will run for the mere 36 seats (32 in the Chamber of Deputies and 4 in the Senate) to represent the capital in Congress are already in the heat of battle. And they won't stop at anything.

Patience, voters! This is democracy. And don't be surprised if Andres Zaldivar himself calls you on the phone telling you that he is a candidate in your district. Don't worry if on the radio station you usually tune in, Ricardo Lagos "chats" with you. Or if Sebastian Pinera (the "Locomotive") invites you to go cycling with him some day. Or if Joaquin Lavin (the "Little Fighting Cock") even offers to come around to your house to cut your hair in his mobile office. You may even run into your friendly local candidate one day attending a show in your neighborhood. Take it easy. It's the propaganda war that has broken out, the all-out war to win your vote. That's all it is, so don't get excited.

One of the fronts, the western district, has become a minefield for the right. Frankly, it will be difficult for the right to emerge unscathed and victorious. Although the "yes" vote was 40 percent in this sector, the representatives of the opposition will clobber the right, according to the polls. After endless negotiating, the opponents played all their best cards there, and with good reason. The names chosen by the bloc defending the "free society," in contrast, do not give the same impression. It is said that they are not the best candidates.

This complaint is justified to some extent. There are weaknesses. The center-right simply did not have candidates who were willing to risk the "expense" and "attrition" that a ferocious competition like this one demands. You already know: On 7 September, minutes before the deadline for registering senatorial candidates, not only was the right in total disarray, but no volunteers had come forward to run for seats. In view of this emergency, Jaime Guzman of the Independent Democrat Union (UDI) and Miguel Otero of National Renewal (RN) generously offered their names, although they were not in the least interested in joining the battle.

For the UDI, it was a matter of life and death to have a "patriot" who would support the work of its candidates for the Chamber of Deputies. Of the eight precincts that make up the northwestern district, the UDI has candidates in six: Patricio Melero, Luis Cordero, Rene Solano, Cristian Leay, Pablo Longueira, and Juan Antonio Coloma. They thought of having Jaime Guzman run for senator, and he accepted. His supporters claim that his candidacy will stir interest, that he could deal a surprise blow, and that he is not an armchair ideologist, as many believe, but rather an active fighter. At least Guzman is a well known figure (they say that this is not true, however, of his fellow candidate Miguel Otero). They also admit, however, that the former president of the UDI arouses quite different feelings among the voters. Guzman's campaign is expected to be "confused" with the work of the candidates nominated by the UDI for the lower house. He aspires not just to win, but to be the head of the party in the parliamentary elections. In other words, Guzman will play the part of the "patriot."

With regard to the ticklish matter of money, the candidates of the right all have the same thing to say: It is worse than scarce. There is no money. They keep complaining piteously. The private business sector, the traditional mainstay of right-wing campaigns, wants a victory without digging into its own pockets, they claim.

As for the vote count, Guzman chooses to remain silent. His excuse: So far the only valid reference is the results of the 5 October plebiscite, as the available opinion polls are still "very precarious. The campaigns are at different stages of development."

The senatorial candidate says that his campaign will be against Concertacion, that he will denounce "the traps involved in the opposition proposals," that he will not engage in battle with Miguel Otero, his fellow candidate in the Democracy and Progress coalition, as they have a friendly relationship.

The nomination of Miguel Otero was another surprise. He is a last-minute candidate. Down to the wire, Gustavo Alessandri was the ace in the hole, even though it had not yet been decided what district he would run in. Otero knows the score; he knows his strengths and weaknesses. He admits that as a politician he is an unknown, but that as a debater he has pleasantly surprised many. That may be why he has resolved to appear on whatever television or radio program he is invited to. He can't do much more. He himself decided that he will not form commandos or send out squads to plaster the streets with his posters. Nor will he travel through the streets in a van, much less hold rallies. He does, however,

have a team behind him, led by Sebastian Santa Cruz (brother of the historian Lucia). Otero might be able to attract some funding to his campaign, but the cost of a senatorial campaign in the capital is astronomical (almost $1 million), he contends. In addition, he adds, "Renewal doesn't have any money to contribute."

Like Guzman, Otero will gear his campaign to supporting the candidates for the Chamber of Deputies that RN is running in the northwestern district (Luis Ivan Munoz, Carlos Martinez Perales, Andres Sotomayor, Mauricio Smock, Raul Alonso, Angel Fantuzzi, Juan Cox, Sergio Errazuriz, and Manuel Ariztia).

Despite the right's low standing in the opinion polls in the northwestern sector, Otero remains optimistic: He is still hopeful of winning one of the two Senate seats. And he claims this publicly. He is convinced that the campaign should be waged on positive terms, without smearing adversaries. Like Guzman, he believes that the two candidates of the Democracy and Progress pact should not take aim at one another: "First, we must beat Concertacion, and secondly, one of us must be elected."

The dispute over senatorial seats that the opposition candidates are waging in the eastern district is curious. At first glance, they do not appear to be battling their adversaries on the right. Rather, it seems to be an internal conflict. The "cold war" for votes has been declared by Christian Democrat (DC) Andres Zaldivar against his ticket mate Ricardo Lagos of the Party for Democracy (PPD). The motives can be found if you root around enough.

Christian Democratic sources have confessed to QUE PASA that their priority has become making sure that their president, Andres Zaldivar, not only obtains the much sought-after seat (it would be worse than awful if the head of the party failed to win a seat in Parliament), but also wins more votes than PPD leader Ricardo Lagos. He must win by a landslide. Why? First of all, because DC officials "fear" that if Lagos were to win by a wide margin, he would become extremely touchy in the eventual Aylwin administration, it was explained. They fear he would use and abuse his power. In other words, victory would make him unbearable, sources said. And there's more. DC strategists hint that essentially, the battle for those two seats is really a battle for the presidency of the Senate. And in a cold and logical analysis, they believe that it is only logical for the person who wins the most votes to be named president. And there are two men in the offing: Zaldivar and Lagos. (Eduardo Frei is rejected out of hand for his lack of political experience, of course.)

That is why the DC is so bent on making sure that Zaldivar overwhelms Lagos by a wide margin in the western district. The statistical data already suggest that this will be an arduous struggle.

In any case, both the DC and the PPD exude optimism. Their certainty is absolute: The opposition will win the two Senate seats. Easily, because in the 5 October plebiscite, the "no" vote amounted to more than 59 percent there. The multiparty coalition is confident that its historic vote will supply it with the seven additional points that it will need to send its two candidates to Congress. According to these calculations, there would be 12 percent to spare. The opposition's optimistic figures become even more so when they look at their adversaries on the right. The unanimous opinion is that the right's candidates are very weak. It would be different if they had to contend with Sergio Onofre Jarpa or Miguel Angel Poduje, they say. These two men, according to polls conducted by Concertacion, had strong chances of winning.

The current situation has made Zaldivar extremely happy. According to a private survey conducted by the Center for Studies of Contemporary Reality (CERC), his chances of being elected senator grow considerably when he is pitted against unknown opponents. For example, Zaldivar bests Lagos by just 29 to 26 in the polls, when on the opposite front the names are former Intendent Sergio Badiola (8 percent) and Jaime Guzman (6 percent).

His doubts are the same as everyone's: Why did Zaldivar choose the western sector? (Now, mind you, Lagos dominated in both districts.) Because in the western district, it was said, the DC is better organized and the six candidates for deputy that the DC is running are close to the president; some of them are even outright "Zaldivarists." Incidentally, they estimate that all of them will be elected: Bosselin, Elizalde, Hamuy, Dupre, Pareto (the latter, they admit, has a tougher job, given his rivals: Jorge Schaulsohn and Carlos Bombal), and Andres Aylwin (who is running alone on his slate).

Finally, the leader of the DC is betting on the "nonideological" nature that the polls say the electorate has in that area. In other words, there are a lot of "soft" votes. This fact is particularly important for the candidates, considering that 30 percent of the voters who claim to belong to the DC state that they will vote for Lagos and the PPD deputy candidates. Zaldivar's task is to win them back; the socialist leader's task is not to let up, to keep winning them over. Well, yes, now it is clear why Lagos' strategists gave each of the candidates of the PPD 4,000 posters with their respective names next to Patricio Aylwin's. Obviously, Aylwin is the winner with the coattails. Their strategy has already been outlined: appear linked to the DC, but don't let go of the accusing finger that made Lagos' image so famous on television. That is, the profile is reserved for the left. Needless to say, the PPD's Aylwin bumper sticker has aroused the ire of the DC, which has protested this attempt to appropriate the politician's coattails. An understandable concern.

And why did Lagos choose Zaldivar to run with? Whim? Like Zaldivar, the man of the PPD (who has felt a certain "hostility" on the part of the DC) would like to make his strength known. If he were pitted against Frei, he would

have a tough time of it. The son of the former president overwhelms him in the polls; Eduardo Jr is unstoppable.

PPD officials feel that Lagos' presence will improve the chances of their five candidates for the Chamber of Deputies in the western district. They are more cautious than the DC people, however, when it comes to making predictions. They cite Maria Maluenda and Vicente Sota as winning hands. Maybe, maybe, Jorge Schaulsohn.

Campaign innovations: Lagos' campaign organization (headed by Heraldo Munoz) has scheduled a radio spot in which their man—Lagos, who else?—speaks directly to the public (in the fashion of the programs of Radio Gigante). Zaldivar, who is neither short nor lazy, will also go on the offensive. His campaign organization (led by former Minister Patricio Rojas) has already installed a new telephone system that will allow him to make computerized phone calls to the voters in his district, reaching each one at least twice during the campaign. The voters will hear a brief message recorded by Zaldivar. This method has been tested successfully in the United States. Spanish businessman Jose Maria Ruiz Mateos also experimented with it (a fugitive from justice, he managed to win a seat in the European Parliament with this little propaganda system).

Money? PPD officials contend that Lagos is such a good product that his campaign will cost no more than 20 million pesos (they confess that the total amount of campaign spending will be 200 million pesos). The "Zaldivarists" guffaw at such a paltry sum. A senatorial campaign in Santiago, they reply, can't cost any less than 100 million pesos. And although they don't give any figures, they admit that they are not short of funds. Maybe this is because Zaldivar himself holds the purse strings in his campaign, and the man has turned out to be a good fund raiser.

At least in the eastern district the right has some hope. It has a blind faith that it will win a deputy seat in Las Condes, and maybe another in Providencia. As for senate seats, hopes are dimmer. According to the right's figures, considering the candidates representing it, it could keep the 38.44 percent that the "yes" vote won in October. This would be enough to elect a senator: Hermogenes Perez de Arce or Sebastian Pinera, both independents who are members of the Democracy and Progress coalition. That's fine, so far. But this option of the right was torpedoed, not by the opposition but by "family." Dona Carmen Saenz de Phillips, the wife of the legendary "patriarch" of the National Party, is willing to stay in the race at any price. She is so stubborn that no one has been able to persuade her to give up. Her candidacy will stupidly dilute votes; according to a recent poll (commissioned especially by Sebastian Pinera), Dona Carmen would win just 2 percent of the vote, about 35,000 in all. That isn't very many, but her getting 2 percent is enough to give the opposition slate 7 percent of the "yes" forces. The upshot would be that the right would end up with nothing. In other words, a hapless outcome that reminds us of the story of the dog in the manger.

To be sure, there has been a lot of maneuvering to get Dona Carmen to "step down." Her telephone has not stopped ringing; they call her from all sides. She won't budge. Some strategists on the right have even thought of launching a slogan against her: "Vote Saenz: More than a lost vote, it is a vote for the left."

Hermogenes Perez de Arce will wage a campaign in his own style: moderate and reflective. An enemy of slogans, he will put out a message aimed at establishing a presence in the mass media. Every day he will have a radio program on two stations, he will increase his writings in the press, and when invited, he will gladly appear on television. He has faith in the media, because it was as a result of his commentaries on Radio Agriculture that he was proposed as a candidate for deputy in Santiago in the 1973 elections. And in that battle he obtained the first majority. He hopes to repeat that great success. The head honcho of his campaign, Miguel Angel Poduje, told QUE PASA that one of Perez de Arce's principal advantages is his political record: "If you look at Hermogenes' past, you can easily see what he is capable of offering for the future." His followers say he is a young player who uses modern language.

During the last long weekend, the candidate sat down and wrote a short book that is easy to understand and affordable. It deals with current political, economic, and social issues. By this means he intends to disseminate his thoughts "so that people will know why they should vote or not vote for me." It already has a title, unless come creative committee vetoes it: "Honestly."

He has no complaints about funding for his electoral crusade. At least not for now. Although the officials of his incipient command post say there is no mystery, Perez de Arce has managed to cover his expenses by winning endorsements. One of his patrons, campaign officials revealed, is former Minister Jose Pinera (the brother of Sebastian, who is running with Perez de Arce on the Democracy and Progress slate). How strange life is!

Sebastian "Locomotive" Pinera promises a different campaign, a modern one rich in "symbols" or banners. He already has them.

One of these banners is the quality of the environment. He is going to plant a million seedlings in Santiago: pepper trees, aromos, and damson plums. The men of his campaign organization will go around house to house distributing seeds. Another symbol is youth. For this reason, he has given his campaign a festive and cheerful touch. He just inaugurated a float vehicle that has an orchestra and singers (including his brother Miguel) on board. Pinera's vehicle has such a powerful sound system that the cars belonging to Buchi and deputy candidate Alberto Espina are drowned out. And one more banner:

sports. Pinera formed a soccer team made up of politicians and artists, and he challenged the community champions of Santiago to play a series of friendly games (naturally, without fireworks or trick plays). The first game has already taken place, with the "Locomotive's" team playing the La Florida team. On that occasion, they took the opportunity to render homage to goalie Roberto "Condor" Rojas. Also in keeping with his promotion of sports, the candidate will organize "spring bicycle outings." And finally, youth involvement. Pinera will tour university campuses and professional institutes.

In addition to being a dynamic and creative figure, Sebastian Pinera was proposed as a candidate because he can "steal" votes from Eduardo Frei for the right. For this purpose, he has no shortage of funds. He is the only man on the right who is not pleading poverty. Without batting an eye, he casually mentions that a senatorial campaign can cost as much as 300 million pesos. All he has to add is, "My friends have behaved very well."

For opposition candidates, the election possibilities are a little more imprecise in the eastern district. It is crystal clear that DC Eduardo Frei Ruiz-Tagle will be elected senator. The polls—all of them—give him more than 40 percent. The only doubt is whether his ticket mate, PAIS [Broad Party of the Socialist Left] socialist Maria Elena Carrera, will be capable of getting 26 percent so that both can go to Congress. The most optimistic are confident, first of all, that the Socialists are as strong as the polls suggest, and secondly, that Dona Carmen Saenz will pose a threat to the right by pulverizing the vote in this sector with her candidacy.

In any case, this widespread perception of Frei's triumph has prompted the strategists of the right to come up with a slogan that will soon be circulating: "If you vote for Frei, you are really voting for Maria Elena Carrera." There's something to that.

For the time being, QUE PASA was told, DC leaders are somewhat miffed with the strategy that Eduardo Frei has decided to pursue in the eastern district. Pragmatically, he has opted to give more vigorous support to the deputy candidates on the Concertacion ticket that appear to have the best chances, without considering their party activism. Not very fixed. It is said that DC candidate Eliana Caraball, an architect who is running for the seat representing Las Condes, is the most annoyed with this attitude on the part of Don Eduardo.

The tone of the Frei campaign is one of discretion, because Frei is known to be little given to debates, forums, rallies and demonstrations. In the Concertacion, the most caustic observers explain the campaign style of the former president's son in their own way: "As long as he doesn't open his mouth, Frei is unbeatable." This would explain the quiet, low profile of his campaign. Naturally, Frei's campaign organization (coordinated by Edmundo Perez Ll.) has another explanation: Their man "has the image of an uncontaminated politician, so he has opted to stay away from day-to-day issues and concentrate on loftier themes." They claim that Frei will strengthen his bonds with the electorate during the campaign, that he will shun traditional "methods" such as campaign posters. This once again raises suspicions. According to Frei supporters, they will refrain from putting up posters of their candidate as a contribution to the "decontamination of the environment." Skeptics, on the other hand, suspect that this is merely a subtle maneuver to avoid dissociations between the hot-selling name Eduardo Frei and the image of the real candidate for the Senate. In this connection, they recall that several polls asked voters why they planned to vote for Frei, and many, a great many, responded "because he is a great leader and statesman." But they could not pick out Eduardo Jr in the photos that the pollsters showed them.

Colombia

Barco Replaces Development Minister Marulanda

PA0811033089 Madrid EFE in Spanish 0300 GMT 8 Nov 89

[Text] Bogota, 7 Nov (EFE)—Colombian President Virgilio Barco today dismissed Development Minister Carlos Arturo Marulanda and appointed Maria Mercedes Cuellar de Martinez, the current director of the National Planning Department, to his post.

A presidential decree issued today stated that Marulanda's "resignation was accepted" and that "Maria Mercedes Cuellar de Martinez was appointed" to replace him.

Marulanda resigned in September because of a scandal in which he was accused of "illegal enrichment" in the sale of a farm to the state. This farm was owned by his family and was to be used in agrarian reform programs.

However, the minister asked Barco not to relieve him from duty until he had defended himself before accusations in a debate at the Chamber of Representatives. The Chamber exempted Marulanda from any guilt and noted that he was innocent of the charges presented against him.

The same presidential decree announced the appointment of economist Luis Bernardo Florez as the new chief of national planning, replacing Cuellar de Martinez.

A Colombian Presidency source disclosed that the new development minister will be sworn in sometime in the next few days.

Bomb Attack Kills 6, Wounds 5 in Risaralda

PA0711181089 Paris AFP in Spanish 1747 GMT 7 Nov 89

[Text] Bogota, 7 Nov (AFP)—Six people were killed and five wounded today in a bomb attack that destroyed a peasant home in the town of Quinchia, about 300 km west of Bogota, in the coffee-growing department of Risaralda, Quinchia Mayor Saul Botero has reported.

A spokesman for the 8th Army Brigade said that the attack was apparently the work of guerrillas of the Maoist Popular Liberation Army, who supposedly planted the bomb in the home of Antonio Zuluaga, located at Vereda La Union, a few kilometers from Quinchia. Botero said that the motive for the bombing is unknown.

Killings Reported in Various Parts of Country

PA0811144289 Bogota Radio Cadena Nacional in Spanish 1210 GMT 8 Nov 89

[Text] The body of Antioquia bullfighter Oscar Juan Andres Botero, better known as Oqui Botero in bullfighting circles, lies in state in parlor two at the La Aurora funeral home. Botero was murdered last night by unidentified individuals at the park in the El Poblado neighborhood in the southeastern part of Medellin. Relatives have not established the hour and place of burial for the bullfighter businessman, who was murdered by paid assasins as he traveled in his jeep along 43d Avenue and 5th Street. They did say, however, that the funeral may be held this afternoon at one of the garden-cemeteries in Medellin.

Meanwhile, Ruben Dario Fernandez, president of the municipal council of Santander de Quirichao, in the northern part of Cauca Department, has been shot to death. The incident took place at Fernandez' home, which the paid assassins entered, according to Mayor Victor Claros Medina. Fernandez was a member of the Patriotic Union; according to reports, he had not received any threats whatsoever. A special investigation is currently underway.

In Tunja, authorities and security organizations have been unable to trace the three men who killed five Telecom [National Enterprise for Telecommunications] and Boyaca electric plant subcontractors—working in the rural area of San Luis de Gazeno—and a 16-year-old girl. In an attack staged in the area known as Punta de la Mesa, the following people were killed: Humberto de Jesus Gil Alvarez, Victor Manuel Cadena, Nestor and Jairo Cote, Eliseo Benavides, and Marta Isabel Leal Duran. The criminals forced the six people out of their vehicle and into a wooded area, and murdered them. Authorities have announced that intense operations are underway in that area of San Luis de Gazeno in search of the criminals.

Presidential Hopeful Supports Legalizing Drugs

PA0711142189 Bogota EL TIEMPO in Spanish 28 Oct 89 p 9a

[Text] "If there is the perception that the war against drug trafficking cannot be won, the opportunities for a negotiated solution will unfold."

This statement is part of a series of statements made on 27 October by Ernesto Samper Pizano, Liberal Party presidential hopeful, in a press conference given in his headquarters, moments before departing for Europe.

The possibility of a dialogue with the drug dealers was not the only subject he discussed. Samper Pizano also said on the issue of legalizing drugs—always mentioned in his speeches (although not as emphatic as before)—that this is an alternative if political repression fails, but he made it clear that this must be decided multilaterally, because it is necessary that producing and consuming countries participate.

Although Samper Pizano does not seem as convinced as before, he maintains the theory that legalizing the drug market would allow [governments] to prevent drug consumption, because this would reduce the risk caused today by drugs' hidden character.

"Legalizing drugs is a viable alternative."

Samper Pizanos's voice did not break when he categorically asserted that the referendum must include dialogue with drug dealers and the extradition of Colombian nationals, a position also defended by his colleague Alberto Santofimio Botero.

"Voters must be consulted on everything that divides Colombians, because for the next president this subject is going to be very difficult and to handle internal conflict it would be better to know the national opinion. In Colombia this debate must not be avoided."

He criticized not only the position taken by the government to face the drug problem, but also the position taken by foreign nations, because according to him, President Barco has been fighting for 3 years so that the world will understand that this is a multinational problem.

* Effect of Antidrug Efforts on Economy Studied

90WD0013z Bogota EL TIEMPO in Spanish 1 Oct 89 p 9A

[Article by editorial staff: "The War Against Traffickers: Will the Economy Hold Out?"]

[Text] Economic indicators in our country have been steadily dropping since the second half of last year. Declining industrial production, reduced construction, and lower sales of durable goods are but a few of the examples.

The government has admitted as much. The estimated 4.5-percent growth rate has dropped to 3.7.

During the first quarter of this year, economic prospects did not look good. There was a slight improvement over the following 3 months, rousing hopes for a recovery, and by the end of the year projections showed a 4-percent increase in production.

Shortly after midyear, however, the International Coffee Pact was broken and the effect was felt immediately. The international coffee price dropped by almost 40 percent.

As a result of that impact on overall demand, expectations changed abruptly. The country will lose some $200 million this year and will have to prepare for difficult times in 1990.

At the same time, other disturbing short-term economic indicators began to appear. Growth in public spending over the past 2 years, far exceeding the increase in revenue, forced the government to adopt adjustment mechanisms to ward off fiscal disturbances such as those experienced at the beginning of the decade. This implies reduced spending and the resulting negative impact on the economy's level of demand.

This weakening trend is now joined by effects the economy has sustained due to the war on drug trafficking launched 2 months ago.

Precisely because of its "unofficial" nature, it is difficult to make an accurate measurement of the magnitude of the figures and contributions of the underground economy. In some cases, data border on the mythical.

Nevertheless, the official decision to confront a problem to which the economy has become accustomed cannot fail to have negative effects that will become even more visible in time.

Any evaluation must contain three elements: the impact produced by action; the impact caused by omission; and the effect on cumulative variables.

The first element must include those negative results directly attributable to the action of resources which drug trafficking injects into the economy. Traffickers stop buying, halt investing, and thus cease increasing demand. Some of the sectors that could be harmed in the future are housing construction, the agricultural sector (especially livestock raising), very specific categories of industry, the financial sector in the area of deposits, and the sale and production of luxury items. It is too early to make a concrete evaluation of what will occur.

The impact on productive activities is clear, although it involves only a few areas. For example, the recent surplus supply of rice in the Plains areas had at least a partial explanation: The main buyer, with a mill larger than the one run by Idema [Agricultural-Livestock Marketing Institute], which previously paid a higher price than that offered by the Institute, decided to stop buying in retaliation for the official action. The result was a surplus and drop in price.

According to Carlos Ossa Escobar, manager of Incora [Colombian Institute of Agrarian Reform], it is estimated that the traffickers, who made large investments in previous years, own over a million hectares of land, most in the hands of third parties. The amount of such land seized is less than 100,000 hectares.

Results due to omission have to do with what the rest of the citizenry ceases doing as a result of sporadic, premeditated actions aimed at causing confusion and destroying morale. The main instrument employed is terrorism.

The areas of activity suffering the most harm are services such as tourism, commerce, and entertainment. Because of the geometrical effect on other activities, the impact is felt by the entire economic apparatus. The liquor industry does not sell because night clubs are not open. Fewer tourists come into the country and less foreign exchange is thus taken in. Variables such as employment are then affected.

One variable of great importance to the country whose promotion has been a constant concern is foreign investment. Negative projections have resulted in the paralysis of major projects in key sectors such as textiles and the chemical and agricultural industries.

In the case of macroeconomic variables, government action to handle the problem involves a larger amount of resources from the national budget allocated to the different fronts. This in turn means greater control of spending, partly to prevent any worsening of the fiscal deficit.

Two more aspects must also be taken into account: what will happen to revenue produced by services connected with the Bank of the Republic's trade balance, not affected as recently as 2 weeks ago, and the attitude of international banks toward the Colombian "risk."

The price of the dollar on the black market did not rise as much as expected in the case of bills, while for checks the difference with respect to the official rate is about 20 pesos.

Business on the stock exchange has not been affected, but according to one broker, "everything is quiet."

Transactions and investments in the financial system have felt no effect. Deposits in the system fell by nearly 30 billion pesos during the latter half of the week but, according to the Banking Board, this is due to very different factors. Current accounts alone dropped by 7 billion pesos.

The list of bills discounted grows at a normal rate of 28 percent annually and, surprisingly enough, the actual portfolio of savings and housing corporations rose 54 percent this year in effective terms.

Tourism has been hard hit. Nearly 40 bombings in Medellin have caused the cancellation of at least a dozen national and international conferences and, in a matter of weeks, over 4,000 hotel reservations, more than 100 a day.

The city's largest hotel, the 290-room Intercontinental, had fewer than 30 guests 4 days ago, most of them members of the foreign press.

In Cartagena, cancellations began on 18 August of cruises (five large vessels carrying 2,500 passengers each) and charter flights, and a major Canadian program with block reservations was called off on 8 September.

As a means to remedy our poor image abroad, official tourist agencies put together a plan to promote cities on the Atlantic Coast that were "isolated" from terrorism related to trafficking.

The program had not even begun when a powerful bomb exploded on the sixth floor of the Cartagena Hilton, where 1,500 persons were staying. Most were attending an International Congress of Gastroenterology.

With the "transfer of violence" to Bogota—the tourist sector was hit Thursday night with the explosion of a powerful bomb in the parking lot of the Tequendama Hotel—tourism in the capital also began to suffer.

Spokesmen for the sector believe that in September, individual or group reservations canceled amount to nearly 60 percent in the main cities.

In Medellin, only a very small percentage of the reservations were kept. In Cali, cancellations totaled 70 percent and in Bogota, there has been a 20-percent drop in hotel use.

According to Cotelco [Hotel Corporation of Colombia], some 237,000 tourists entered the country last year, without counting those coming over the border. Initial estimates put the figure at under 200,000 for this year.

Frightening Tourists

When one considers that the Bank of the Republic estimated revenue from this type of tourism at $230 million for 1988 ($1,000 per person), between $40-50 million will be lost this year, the equivalent of 16,000 to 20,000 pesos at today's rate of exchange.

Domestic tourism is also suffering. Despite the fact that the current period is one of a temporary decline, year-end predictions are not the best. By June, the rate of hotel occupation was 53 percent, 3 points lower than during the same period of 1988. A 1-percent drop in a year means 1.2 billion pesos less revenue.

Although authorities in the sector believe it is risky to make estimates, they know it will be difficult to equal the 12.7 million nights spent (by 4 million tourists) in 1988.

It is the Cartagena residents who are most worried now. Although the Hilton was reopened with good results and the National Beauty Queen pageant will continue, reservations and plans for the event indicate that this will be among the event's worst years.

No precise figures have been obtained on the growth in air and overland transportation, but international airlines and Avianca have revealed a clear phenomenon: The seat occupancy rate of flights abroad has remained steady and even increased. However, flights to our country have fewer and fewer passengers.

Trade

Although trade is dropping throughout the country, Medellin has been the hardest hit by the low demand. Preliminary studies indicate that traditional commercial sales of the middle and lower classes have dropped by up to 50 percent, which figure drops to 47 percent for middle- and upper-class shopping centers. The number of visitors counted at one of them has dropped 20 percent.

Traditionally speaking, the most difficult month of the year is August, but the recovery begins in September. However, this has not been true this year. While in a normal year September sales rise between 10 and 12 percent (in real terms) compared with August, the figure this year is only 2.4 percent.

Wholesale shipments are also depressed. Large year-end orders that begin in August are half the 1988 figure because of the prevailing uncertainty.

The drop in sales enables one to predict that commercial profits will drop 40 percent compared with 1988. However, this will be partly true because more attention has been paid to price hikes so as not to "frighten off" the few buyers.

Restaurant and hotel sales are suffering an even greater effect. According to the Colombian Large Restaurant Association (1,150 members in the country), sales in Medellin and Bogota have dropped 50 to 60 percent. People are afraid to go there.

Sources in the private sector say that sales at departmental liquor outlets as well as of private distillers and bottlers have suffered a "fatal" drop since March. That drop accelerated in recent weeks and amounted to 25 percent of the number of bottles.

Construction and real property have also been affected by the phenomenon. On the one hand, the upper-class luxury housing sector, which registered a boom in 1987 (apartments costing up to 200 million pesos) and was even used to launder money, is now in a depressed cycle. This not only affects the number of meters of licenses reported by DANE [National Administrative Department of Statistics], but aggregate value as well.

In new and used housing, the greatest depression is in Medellin and Bogota, where business is in a major slump. However, one must remember that the drop can be partly explained because demand is now concentrated in the middle and lower strata.

By August, construction activity had fallen by 9.8 percent in real terms and although there are no more recent figures, we know that the drop may be considerable. At any rate, one cannot say that what has occurred up to now is the exclusive result of the reduced demand stemming from underground resources.

What is certain is that, without it yet being possible to calculate, the economy will have to take the blows dealt by the fight against traffickers. For the time being, no one can predict whether or not it can withstand the onslaught.

[Box, p 9A] Figures on "Narcoeconomy"

The war against the drug traffickers even enables one to speak of a "narcoeconomy" in Latin America. The British weekly THE ECONOMIST states that drug sales exceed $500 billion a year.

Of that total, $300 billion come from the United States and $100 billion "enter" Latin America to pay for cocaine sales.

The big producers and processors are Bolivia and Peru, where a high percentage of the population is involved, and Colombia, the center of refining and sales. It is alleged that Peru takes in between $900 million and $1 billion a year.

Although President Virgilio Barco told the United Nations that our country is not living off a narcoeconomy, THE ECONOMIST claims that "[drugs are] the second-ranking export product after coffee," with revenue of some $1 billion. It even attributes part of the 1987 economic growth (5 percent) to foreign exchange from drugs.

Other countries involved are Mexico (principal producer of heroin and marihuana), Cuba, Panama, Central America, and the Bahamas as transit points and Ecuador as the producer of a new chemical to purify the paste. A third of the drugs go through Costa Rica, Honduras, and Guatemala.

Money laundering involves the Caribbean islands, Panama, and Uruguay, free financial centers with reserve banks.

According to the report, the tentacles of the Colombian mafia extended to Brazil 5 years ago. Coca is now refined in the states of Nato Grosso do Sul, Amazonas, Sao Paulo, and Rio de Janeiro, where acetone and ether are also produced to be used in processing. In Venezuela, one of the countries least involved, only small crops of coca and marihuana have been found, but large investments by the Colombian drug lords have been detected.

* Lagging Judicial Sector Reform Studied

90ET0006a Bogota EL TIEMPO in Spanish 28 Sep 89 p 3A

[Article by Edgar Torres: "Justice Reform: 21 Billion Pesos Annually and No Money"]

[Text] Positions have clearly changed, even those of the individuals who previously believed, with blind conviction, in the opposite. A mere 13 days before the expiration of the extraordinary authority on this coming 8 October, reform in the justice sector is virtually on the brink of failure.

Two facts sounded the warning signal. One is the lack of fiscal resources, and the other is the lack of permanent appointments to the most important posts in the Ministry of Justice, and the likelihood that at any time now, a new minister will be appointed.

With regard to the first problem, the experts do not conceal their concern about the refusals of the Ministry of Finance and the National Budget Office whenever the allocation of the funds needed to get the reform under way has been suggested.

At the meetings held in the Casa de Narino (the most recent was last Monday), the officials of both bodies have shown a particular reluctance to come forward with the vast sum needed—about 21 billion pesos for 1990 alone, and an even larger sum in the coming years.

In 1988, the "state treasury" delayed for 5 months the promulgation of the norms approving new posts. And more recently, there has been a delay of 2 months in the study of the norms for creating new posts in the Supreme Court of Justice and the Disciplinary Court (or Supercourt).

"The cost of the new staff roster will not exceed 500 million pesos. And yet the decree submitted last June still has not been approved."

Sources at the Ministry of Justice comment that this decree alone, one of half a dozen which must be approved as a part of the reform, has been redrafted five times for the signature of the various ministers—Guillermo Plazas Alcid, Monica de Greiff, Carlos Lemos Simmon, Monica de Greiff a second time, and then Carlos Lemos once again. In no case, however, has the Ministry of Finance given its approval.

The obstinacy of the finance department has made the reform a shaky issue, particularly since the studies carried out by the Socio-Juridical Research Office of the Ministry of Justice estimated the payroll and the allocation required by the 1,220 employees who will be needed to put just the family department—one of the four to be established—into operation at 3.5 billion pesos.

An official at the Ministry of Justice asks: "If there is resistance to allocating a portion of 500 million, what will happen when it comes to paying out the sums of 3.5 and 21 billion pesos which the total package will entail?"

The other disturbing factor is that because of the resignation of Monica de Greiff, the review of the bylaws now under way is in the hands of an interim minister.

In this connection, a spokesman for the Advisory Commission on the judicial reform has commented: "We are

working against the clock, and the examination of the decrees by a temporary official will simply slow the process down even further."

The Advisory Commission will have finalized the statutes which are the spinal column of the change by this coming Friday. In all, there are some 3,000 articles. As would be expected, each one is made up of at least three or four subsections and a paragraph.

These documents include the new Civil Procedures and Labor Codes and the decrees establishing the Judicial Offices and reorganizing the Administrative Structure of the Council of State and the Administrative Courts.

This package also includes the statutes establishing the agrarian and family jurisdictions.

"The question is," comments Miguel Morera Lizcano, secretary general of this commission, "how long, since there are only 13 days left, the study of so many provisions and such varied statutes will take."

Another adviser warns: "Legally, if the review is carried out by a provisional minister, the process of studying the norms will return to the starting point when the permanent minister is appointed."

He adds, "The only alternative is for the president to refuse to replace Carlos Lemos for any reason. At least until the special authorization has expired."

In practice, the government is faced with a battle against the clock for the second time. As with what happened with the promulgation of the Judicial Staff Statutes, the system which reorganized the Institute of Forensic Medicine and the Criminal and Customs Penalty Codes, the government will have to approve the pending decrees.

For the time being, the only thing which is certain is that the fears felt by the members of the commission (Jairo Duque Perez, Javier Henao Hidron, penologist Jaime Bernal Cuellar, and Morera Lizcano) have forced them to contemplate drafting a memorandum to the government.

This document would explain that despite the constant changes in the justice department heads, the commission has completed the drafting of all of the respective proposed decrees; that their work will now have to be reviewed in record time if there is a desire to save the reform, one of the banner programs in the campaign of the current chief of state.

[Box, p 3A] The Proposed Reforms

The reform of the codes involves, basically, the introduction of changes in the Civil Procedures and Labor Codes. The former contains 350 changes and creates civil judges specializing in commercial law. With regard to the Labor Code, 40 percent of the current provisions are being changed.

Judicial Offices will be established at the seats of the judicial districts. There will be one for each court and another for each jurisdiction. In other words, there will be one for the civil judges and another for the criminal judges. They will have duties of an administrative nature—handling court depositions, notifications, etc.—which are the responsibility of the judges today and which have created a bottleneck.

In the Supreme Court reform, two judgeships are created for the Constitutional Chamber, along with a secretary general and two auxiliary magistrates, and a dozen or so subalternate posts.

For the Supercourt, a dozen new posts are created, including assistant attorneys and higher officials.

The reform of the Council of State will entail the creation of six posts for auxiliary magistrates, three for assistant attorneys, three for court reporters, and several for trial lawyers, as well as 40 subalternate employees.

The court reform creates 20 positions for specialized civil circuit judges, who will try cases involving bankruptcies, compositions, and banking contracts, among other things.

In the family jurisdiction, 63 posts are created for magistrates and 187 for judges, as well as 500 subalternate employees in the various departments.

In the agrarian jurisdiction, the cases being handled by civil judges will be transferred to specialized judges, while agrarian chambers in the higher courts will have jurisdiction in the second instance.

[Box, p 3A] Developments Thus Far

Since Eduardo Suescun Monroy, the first minister of justice in President Virgilio Barco's administration, took office in October of 1987, the government has announced a sweeping reform of the Colombian judicial apparatus.

Suescun Monroy has advocated what he has called the "urgent need for reform" in two basic respects. The first is the backlog on the dockets of 4,500 judges of the Republic, which it would take at least a quarter of a century to clear. The other is the obvious lack of infrastructure and timely allocations for the court departments, reflected in the fact that there is no autonomous handling of the budget assigned to the judicial branch.

To deal with these two aspects, the government said that the court apparatus would be restructured in two stages. In July of 1987, the government brought forth the decrees which were to serve as the basis for the first phase.

These included the new Criminal Procedures Code, the new Criminal Customs Statute, the Judicial Staff Statutes, and the system for the reorganization of the Institute of Forensic Medicine.

The speed with which the measures had to be promulgated—the Congress failed to approve an extension of authority, and the projects inherited from the administration of Minister Enrique Parejo Gonzalez had to be reviewed in a matter of weeks—made it necessary to amend the Penal Procedures Code by means of state of emergency decrees.

Even the elimination of criminal trial juries, a recent measure, was based on the new authority granted to the government to go ahead with the second package of measures. It is this package which is threatened by the lack of resources and the lack of a permanent minister of justice.

* Carbocol Exploration Plans on Hold

90ET0008c Bogota EL TIEMPO in Spanish 9 Oct 89 p 8C

[Article by Victor Chaves R.]

[Text] Plans for coal prospecting and mining in the 1990's are frozen. There are sufficient reserves to meet the needs of the international market and of domestic consumption, but the debt and low foreign prices are scaring away potential investors.

Officials in this sector calmly accept the fact that unless there are favorable changes in the situation, the possibility of increasing or compensating current production of the mineral is in the hands of foreign capital.

The foreign debt of Colombian Coal, Inc. (Carbocol), which amounts to U.S. $1.5 billion, is an onerous burden because of the debt service. In addition, if the programs that have been drawn up are to be carried out before the end of this century, credit amounting to US $2 billion will be needed.

In 2 years, the company paid out 85 billion pesos in interest and over 90 billion pesos in principal. In January of next year, it will have to make a new outlay of 90 billion pesos in principal. The debt service for this term is estimated at 70.52 billion pesos. Altogether, it will have paid out US $1.002 billion by the end of this year.

Seeking to lower the debt service, the National Council for Economic and Social Policy (Conpes) indicated that the Colombian Petroleum Enterprise (Ecopetrol) should take over the portion still owing to Eximbank of Japan, amounting to US $502 million.

This transaction, according to Carbocol, has not yet taken place. Although it will reduce the debt considerably, it will not be enough to put the national coal company's financial house in order.

In view of this dilemma, the government knows that it must not only retain its market share in Europe and the Far East, but must also seek to expand its share. From the macroeconomic point of view, it believes that coal exports can bring in significant foreign exchange revenues.

There are 1,262 coal mines registered in Colombia, 1,225 of them underground, 32 open pit mines, and 5 unclassified. They provide direct employment for about 17,000 people, and indirect employment for about 9,000.

It is estimated that 16 million tons will have been produced nationally this year. The mines of El Cerrejon will produce 12 million tons, another 18 mines will yield about 2.5 million tons, and the rest will be produced by about 1,200 mines.

By the year 2000, it is hoped that 5 mines will produce a total of 45 million tons per year; 18 mines classified as medium-sized will produce 2.5 million tons, and the small mines will account for 1 million tons.

Although prospecting has been limited in recent years, it has yielded excellent results: Deposits were confirmed in Cesar, Antioquia, and the two Santanders. In addition, the characteristics of the ore discovered (cokable and anthracite) suggest that it will fetch the highest prices on the market.

Nevertheless, it was found that because of the scientific use of coals other than heating coal, the market for anthracites is volatile and they will be difficult to sell.

The government is seeking new contacts with foreign firms that specialize in this kind of mineral (Carbocol met with specialists in Korea, Germany, and Canada), but so far has not obtained positive results. No one wants to risk a dollar under the current market conditions.

Coal Prices

One of the main difficulties in selling the mineral on the international markets lies in the current chaos in pricing.

It is not the same, for example, to sell El Cerrejon coal as to sell Amaga coal; the former has fewer impurities and is more consistent; the latter has more wastage and is more grindable.

There is little profitability for investors, says Carbocol. Placing on the international market a ton of coal obtained from the La Jagua mine in the department of Cesar involves the following costs: price at the mine, $14; transportation to the port and on ship, $12; loading and port fees, $5; taxes, $2; and unloading, $4.

All things considered, the cost of placing a ton of the mineral on the international markets is approximately $37. The price at this time is hovering around $38, which means that earnings amount to $1 a ton.

The nation looks at the marketing of coal from another angle, however: foreign exchange. It feels that although prices are not good abroad right now, the revenues that can be generated should not be discounted.

According to official accounting, for every dollar of exported coal, 31 cents goes to paying wages, salaries, and services; 20 cents goes for royalties and taxes; and 38

cents goes for imported inputs. The net remittable balance is 11 cents on the dollar.

The above means that the country retains 51 cents on the dollar, and that justifies the continuation of coal exports for the nation.

* Cost of Living Doubles Since September '88

90ET0008a Bogota EL TIEMPO in Spanish 4 Oct 89 p 9A

[Text] The cost of living rose by 1.39 percent in September, nearly double the 0.71-percent rise seen in the same month of 1988.

The cumulative growth rate for the first 9 months of the year was 20.22 percent, the third highest rate in the decade. The figure for the last 12 months is over 26 percent.

According to the report released yesterday by the National Administrative Department of Statistics (DANE), the cost of living in September performed similarly to that of August, when the growth rate was 1.38 percent.

The agency noted that in the first 9 months of the year, the health category, which includes drugs and professional medical services, had the greatest impact on inflation, while food showed the most stability.

The performance of the food sector can be explained by two factors: The change in the family basket as of January means that food now is given less weight, and weather conditions throughout the country have boosted food supplies and kept prices from climbing.

Within the food category, which has remained much the same in recent months, DANE reports that potato prices have continued to decline, while rice, beef, milk, and most fruit and vegetable prices have remained "stable."

Cali: Greatest Increase

The city that recorded the greatest increase in the cost of living in September was Cali, with 2.42 percent, a point higher than the national average.

The explanation for this result, according to the official agency, was the large impact the increases in tuition and pensions had in this region, in addition to other educational expenses. In the western region of the country, students have a different calendar, known as Calendar B, which begins in September.

The second highest increase in the prices in the family basket was seen in Neiva, with 1.74 percent. It was followed by Manizales, with 1.44 percent. In that city, the increases had been the smallest in previous months. Bogota reported a 1.36-percent rise in the cost of living.

Meanwhile, in Monteria, one of the capitals included in the new study, prices rose by a lesser amount, just 0.60 percent, less than half the national average. Cucuta followed, with 0.80 percent.

The "miscellaneous" category, which is now called "others," had the greatest weight in the cost of the Colombian family basket this past month. It grew by 3.69 percent.

It was followed, in order, by education costs, with an upsurge of 2.36 percent; clothing, up 2.28 percent; and housing, rising by 1.69 percent. Food prices were up 0.47 percent.

The cumulative total for the first 9 months was 20.22 percent, which is the third highest figure in the decade. It is exceeded only by the January-September period of 1988, with 21.7 percent, and that of 1981, with 21.1 percent.

The inflation rate through September, experts say, shows that the inflationary pressures that are seen in the economy are not yielding, as the government had expected.

One indication of this is the cumulative figure for the last 12 months, September 1988 to September 1989, of 26.54 percent. This is slightly higher than the August-August period's.

This suggests that unless this trend is changed, it will be difficult to reach the goal of 24 percent that the government included in its economic targets.

To keep the cost of living from exceeding that amount, the growth of prices in the Colombian family basket in October, November, and December will have to be less than 4 points.

* Reasons for Unemployment Drop Studied

90ET0008b Bogota EL TIEMPO in Spanish 4 Oct 89 p 9A

[Text] With 4,000 fewer workers employed in the four principal cities of the country than were recorded this past June, the unemployment rate has dropped from 10.1 to 8.7 percent.

This level, which is the lowest in the last 8 years, and which includes Bogota, Medellin, Cali, and Barranquilla, was announced yesterday by the National Administrative Department of Statistics (DANE) at the conclusion of the analysis of its latest Household Survey.

In its official bulletin, the agency notes that this jobless rate "meets the targets established by the government."

The figure of 8.7 percent, which is close to what was projected by the Chenery Mission for the beginning of the next decade (8 percent), and which took various economic analysts by surprise, only covers the four capital cities as a whole, and can be explained by what has happened in Bogota and Cali. In the other six major cities, the jobless rate is still above 10 percent.

The most noteworthy case is that of Bogota, where at the end of the third quarter the rate was 7.5 percent. This could be considered a "historic" figure compared to what has happened this decade, and it was "unthinkable" in mid-June of last year, when the rate was 11 percent.

In Bogota, says DANE, unemployment has remained below 10 percent for the last 15 months. According to statistics, this is where the jobless problem has been countered most effectively.

Cali, meanwhile, registered the second-lowest level of unemployment in the country, with 7.9 percent, compared to 10.7 percent in September of last year. The rate thus fell by nearly 3 percent over a 12-month period.

In Medellin and Barranquilla, the figures not only remain high, but are even on the rise, as happened in the Atlantic capital.

As of the end of September, unemployment in Medellin amounted to 11.5 percent, slightly lower than the figure for the same month of last year, but higher than the 1987 figure.

In Barranquilla, on the other hand, the jobless rate was 11.4 percent, compared to 9.1 percent in September 1988. Nevertheless, it was 2 points lower than the rate for the same month in 1987.

The four other cities where the DANE measures unemployment have less favorable statistics. For example, in Bucaramanga the rate was 9.9 percent, in Manizales 10.3 percent, both of these representing a slight decline. In Pasto and Cartagena, on the other hand, there was an increase in the jobless rate, with 14.9 percent (the highest in the country) and 13.8 percent, respectively.

Fewer Unemployed

The unemployment rate for the four principal cities declined, even though the number of employed workers fell by 4,000. In June a total of 3,323,000 workers had jobs, while in September there were 3,319,000.

Comparing the DANE studies for the June and September quarters, it is apparent that in Bogota the number of workers fell by 16,000, and in Medellin by 15,000 during the quarter.

This decline of 31,000 employed workers was partially offset by the increases recorded in Cali, with 25,000 more employed workers, and Barranquilla, with 2,000 more.

Overall, the number of employed persons in these cities rose by 10,000 between December 1988 and the last day of September.

Although at first glance it seems paradoxical to talk about less unemployment while a smaller number of people are employed, the explanation lies in the performance of the so-called "participation rate," which is one of the principal variables used to compute the number of jobless workers.

This "rate" refers to the ratio between the economically active population and the working-age population.

At the end of last year, when the unemployment rate was 10.3 percent, the DANE explained that it had not been possible to reduce the figure further because the "participation rate" had been rising at a high rate since 1986 and had attained its peak in 1988, with 58.8 percent.

Now that rate has fallen, as has the jobless rate. Whereas last June the rate was 58.4 percent and unemployment was at 10.1 percent, by September the two indicators had fallen to 57.0 and 8.7 percent, respectively.

Several analysts who were consulted stated, however, that to achieve such a low unemployment rate, the so-called "participation rate" must have fallen further.

More Unemployed?

Although the DANE did not reveal on this occasion the number of jobless workers in each city, as it has done on other occasions, it is assumed that these figures are also lower.

This did not happen because more employment was generated, but because the method of measuring overt unemployment in the country does not reveal precisely the real level we are at. People who do not have jobs but are not looking for work are not considered unemployed.

As has been noted on several occasions, the quarterly DANE survey asks a given group of people in the main cities if "in the last 2 weeks you have been looking for work," and since many people have already become discouraged, they say "no" and are not considered unemployed. Only those who respond "yes," indicating that they have sought work in the last 2 weeks, are counted for the purpose of measuring the unemployment rate.

These are some of the factors that explain, at least partially, why the country has a low jobless rate, yet the majority of economic activities, with the exception of the farm sector, have been in decline for almost the entire year.

The National Federation of Businessmen (Fenalco), for example, revealed in its June analysis that no new employment had been generated, and that it feared an informalization of unemployment in this sector. The National Association of Industrialists (ANDI) came to a similar conclusion.

The good news announced by the DANE in terms of the decline in unemployment, several experts say, could create an interesting controversy, as it contradicts a real

downward trend in the economy, a trend that has accelerated in the last quarter as a result of factors that have to do with the battle against drug trafficking.

Peru

State of Emergency Extended in Lima Department

PY0811123689 Madrid EFE in Spanish 0316 GMT 8 Nov 89

[Text] Lima, 7 Nov (EFE)—The Peruvian Government today decreed a state of emergency and military control in four Lima provinces and extended the measure in another five. This means all of Lima Department, with a population of over 6 million people, is under a state of emergency.

This government decision is a result of the terrorist activity in the provinces and an attempt to prevent the boycott of the election which was decreed by the Maoist "Shining Path" organization.

Lima Department is the largest Peruvian department in both population and electoral strength. It is made up of 10 provinces, including Lima Province, which contains 90 percent of the population, and the Callao Port, which is recognized as a constitutional province.

According to the decrees published today, the government is establishing a state of emergency in the provinces of [words indistinct] and Canete, while the emergency in effect in Barranca, Cajatambo, Huaura, Yauyos, and Oyon will be extended another 30 days. Lima and El Callao Provinces have been under military control since 1 November, when the government decreed a state of emergency in the two provinces.

Of Peru's 24 departments, 10 are under a state of emergency. These areas include Andean and jungle territories containing more than 50 percent of Peru's approximately 22 million people.

Curfew Imposed in Junin, Pasco Departments

PY0711021489 Madrid EFE in Spanish 2308 GMT 6 Nov 89

[Excerpt] Lima, 6 Nov (EFE) — Peruvian military authorities imposed a curfew in the central Andean region today in an attempt to counter the offensive of the Shining Path guerrillas against the 12 November municipal elections.

The political-military command that controls the zone that is under a state of emergency, which includes the Andean departments of Junin and Pasco, has reported that the curfew, which will run from 2200 to 0500 (0300 to 1000 GMT), will be imposed for an undetermined period of time. [passage omitted]

Terrorists Pursued on San Marcos Campus

MRTA Bombers Escape

PY0611212189 Lima Television Peruana in Spanish 1800 GMT 6 Nov 89

[Excerpts] Combined Army and police forces have entered the San Marcos University premises in pursuit of the terrorists who bombed the offices of the National Industries Society. Here is the video of the incident:

[Begin recording] [Reporter] A few minutes ago four terrorists entered the offices of the National Industries Society at Los Laureles, in San Isidro District, where they hurled some bombs. As you can see the explosions partially destroyed the offices. Police experts are now checking on the type of explosives that were used by the terrorists, who, according to the initials painted on the walls, are members of the Tupac Amaru Revolutionary Movement [MRTA]. [Camera shows the debris, walls painted with MRTA initials] The damage is considerable. [passage omitted]

[Police officer] The offices of the National Industries Society, in the San Isidro District, were attacked today. The attackers fled in a beige Nissan station wagon with license plate number OQ 3435. The car was later found abandoned on the fifth block of Ayacucho Avenue. The terrorists then attacked the driver of a Volkswagen Kombi station wagon, with license plate number RI 6765, and stole the car. A police patrol car chased the terrorists along several Lima streets. The officers saw the terrorists change vehicles and then abandon the Kombi station wagon outside the San Marcos University premises, where they sought refuge. [camera shows several rifles, pistols and a blood-stained T-shirt] For obvious reasons.... [change thought] the delay helped them succeed in escaping. As you can see, in their haste the terrorists left weapons inside the vehicle they had stolen a few moments before. [end recording]

Shining Path Plan Thwarted

PY0711010289 Buenos Aires TELAM in Spanish 2055 GMT 6 Nov 89

[Text] Lima, 6 Nov (TELAM-ANSA) — The Peruvian Army and police today neutralized a large-scale plan of terrorist action that the Maoist "Shining Path" terrorist group had scheduled for tonight against a downtown hotel and several shopping centers in Lima.

The plan was discovered during a joint police-military action at the campus of the Greater National University of San Marcos, one of the "Shining Path" recruiting centers in the Peruvian capital.

This morning military forces and national police personnel raided the university, the largest in the country, following a bombing that destroyed some facilities of the National Association of Industries [SNI] headquarters.

The police have not reported any detainees, but it is suspected that the subversives sought shelter at the university after attacking the SNI.

The military occupation of the university continued this afternoon (2000 GMT). Hundreds of students are involved in this military raid. It has been learned that there are more than 100 detainees.